

Canada, Tourist Traffic, Standing Committee, 1959
Second Session—Twenty-fourth Parliament

1959

THE SENATE OF CANADA



PROCEEDINGS

OF THE

STANDING COMMITTEE

ON

TOURIST TRAFFIC

WEDNESDAY, JUNE 10, 1959

TUESDAY, JUNE 16, 1959

TUESDAY, JUNE 23, 1959

The Honourable R. B. Horner, Chairman

WITNESSES:

Mr. E. A. Cote, Assistant Deputy Minister of Northern Affairs and National Resources; Colonel James McAvity, President, Canadian Tourist Association; Mr. John Fisher, Executive Director, Canadian Tourist Association; Mr. Allan Field, Director, Canadian Government Travel Bureau, and Dr. J. Lawson Mackel, Director of Public Relations, Joint Board of Ontario Travel Associations.

THE QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1959

MEMBERS OF THE STANDING COMMITTEE ON TOURIST TRAFFIC

The Honourable R. B. HORNER, Chairman

The Honourable Senators

*Aseltine	Fergusson
Baird	Fraser
Basha	Gershaw
Beaubien	Horner
Bishop	Inman
Bois	Isnor
Bouffard	Jodoin
Cameron	*Macdonald
Connolly (<i>Halifax North</i>)	McLean
Crerar	Methot
Croll	Roebuck
Davies	Smith (<i>Kamloops</i>)
Dupuis	Tremblay—25
Emerson	

(Quorum 7)

**ex officio* member.

ORDER OF REFERENCE

Extract from the Minutes of the Proceedings of the Senate

"TUESDAY, June 2, 1959.

The Honourable Senator Horner moved, seconded by the Honourable Senator White:

That the Standing Committee on Tourist Traffic be empowered to inquire into and report upon the activities of the various agencies concerned with promoting tourist travel in Canada, and that the Committee be authorized to send for persons, papers and records.

After debate, and—

The question being put on the motion, it was—

Resolved in the affirmative."

J. F. MacNEILL,
Clerk of the Senate.

MINUTES OF PROCEEDINGS

WEDNESDAY, June 10, 1959.

Pursuant to adjournment and notice the Standing Committee on Tourist Traffic met this day at 10.30 A.M.

Present: The Honourable Senators: Horner, *Chairman*; Basha, Cameron, Connolly (*Halifax North*), Davies, Fergusson, Inman, Isnor, Jodoin and Smith (*Kamloops*).

In attendance: The official reporters of the Senate; Messrs. R. D. Palmer, Chief, Travel Information and Publications; H. Crombie, Chief, Research and Statistics; and P. J. Rielly, Publicity Section, all of the Canadian Government Travel Bureau.

Pursuant to the order of reference of Tuesday, June 2, 1959, the Committee proceeded to the consideration of the activities of various agencies concerned with promoting tourist travel in Canada.

On motion of the Honourable Senator Isnor it was RESOLVED to Report recommending that the Committee be authorized to print 600 copies in English and 200 copies in French of their proceedings.

The following witnesses were heard:—

Mr. E. A. Cote, Assistant Deputy Minister, Department of Northern Affairs and National Resources; Colonel James McAvity, President, Canadian Tourist Association; Mr. John Fisher, Executive Director, Canadian Tourist Association; Mr. Allan Field, Director, Canadian Government Travel Bureau; and Dr. J. Lawson Mackle, Director of Public Relations, Joint Board of Ontario Travel Associations.

At 12.30 P.M. the Committee adjourned until Tuesday, June 16, 1959, at 10.30 A.M.

TUESDAY, June 16, 1959.

At 10.30 A.M. the Committee resumed.

Present: The Honourable Senators: Horner, *Chairman*; Aseltine, Basha, Connolly (*Halifax North*), Croll, Fergusson, Inman, Isnor, Roebuck and Smith (*Kamloops*).

In attendance: Messrs. Cote, Palmer, Crombie and Rielly; also the official reporters of the Senate.

The Committee proceeded to the further consideration of the order of reference of Tuesday, June 2, 1959.

Mr. John Fisher was again heard.

At 12.30 P.M. the Committee adjourned until Tuesday, June 23, 1959, at 10.30 A.M.

TUESDAY, June 23, 1959.

At 10.30 A.M. the Committee resumed.

Present: The Honourable Senators: Horner, *Chairman*; Basha, Beaubien, Connolly (*Halifax North*), Fergusson, Gershaw, Inman, Isnor and Smith (*Kamloops*).

In attendance: Messrs. Palmer, Crombie and Rielly; also the official reporters of the Senate.

Messrs. Cote, Fisher and Field were further heard.

At 12.30 P.M. the Committee adjourned to the call of the Chairman.

Attest.

James M. MacDonald,
Clerk of the Committee.

THE SENATE

STANDING COMMITTEE ON TOURIST TRAFFIC

EVIDENCE

Ottawa, Wednesday, June 10, 1959

The Standing Committee on Tourist Traffic met this day at 10.30 a.m.
Senator R. B. HORNER in the Chair.

The CHAIRMAN: We have a quorum. It would be in order to have a motion to print 600 copies in English and 200 copies in French of the proceedings of our meetings.

Senator ISNOR: I would be pleased to so move.

Motion agreed to.

The CHAIRMAN: We have with us today Mr. E. A. Cote, Assistant Deputy Minister, Department of Northern Affairs and National Resources. We also have Mr. Alan Field, Director, Canadian Government Travel Bureau. The Canadian Tourist Association is represented by Colonel James McAvity, President, and by Mr. John Fisher, Executive Director. I understand that these last two gentlemen have to leave by one o'clock so perhaps we could have a brief statement from Mr. Cote and then we could hear the representation to be made by the Canadian Tourist Association.

Mr. COTE: I do not think there is any need to remind honourable senators that the Travel Bureau was established in 1934 as a result of the activities of a committee established by the Senate. A moving spirit in this was the late Senator Dennis from Nova Scotia. In that first year, 25 years ago, the Bureau's budget for nine months was somewhat modest, being \$100,000. Twenty-five years later the budget looks a good deal healthier. It is \$2.3 million.

In 1934 travel, as far as Canada was concerned, was an export which amounted to, according to the Dominion Bureau of Statistics figures, \$106 million. Today it is reckoned by the same Bureau that travel as a Canadian export amounts to \$352 million. This is the third highest single export by Canada. While these figures show good progress it is not the whole picture. Last year there was a drop of 3 per cent in the travel export figure, a drop of \$11 million.

Senator CONNOLLY (*Halifax North*): You mean that much less money has been spent by Canadians travelling abroad?

Mr. COTE: That much less money has been spent by Americans in Canada. There was much more money indeed spent by Canadians abroad. There was a \$30 million increase last year. In 1948 Canada was reported to have obtained 43 per cent of the money spent by Americans abroad, which amounted to \$631 million. If Canada obtained such a high amount at that time it was due to the lack of facilities in war-torn Europe. They could not accommodate tourists. The moment European facilities opened and the moment United States and other carriers increased their activities to Europe, then the unprecedented high percentage of Canada's share of the American tourist trade dropped, so that today

out of a total of \$1.6 billion United States dollars spent on foreign travel, Canada obtains 22 per cent. This is obviously inevitable but it does not mean by the same token that we should not strive to obtain more United States dollars in Canada.

Senator CONNOLLY (*Halifax North*): How do you arrive at that percentage figure?

Mr. COTE: The percentage figure represents total United States expenditures abroad, divided amongst the various countries who seem to have received this money. This is a United States Department of Commerce figure.

Senator ISNOR: In view of what has been stated about the representatives of the Canadian Tourist Association having to leave by one o'clock, may I suggest, with all due respect to Senator Connolly, that Mr. Côté be allowed to make his statement without interruption. If we are to ask him questions now I would like to know that, for I have some here I wish to ask him.

The CHAIRMAN: My thought was that we would not have an extensive questioning of Mr. Côté at this time but that we would hear a general statement first.

Senator ISNOR: That is what I thought.

The CHAIRMAN: That is the intention of the committee and that is Mr. Côté's intention.

Mr. COTE: I was thinking I might make this statement to give the general background of the Travel Bureau as it relates to the travel industry from the point of view of the federal Government, and then there would be a statement from the Canadian Tourist Association and I would hope that honourable senators might ask them questions. We are at the committee's disposal at any later time for further questioning.

Mr. FISHER: Mr. Chairman, Colonel McAvity has to leave at noon but I would be at the disposal of the committee this afternoon if you wished.

The CHAIRMAN: Thank you.

Mr. COTE: Mr. Chairman, I think honourable senators would like to know as briefly as possible *what* is the job of the Canadian Government Travel Bureau. Section 5 of the Department of Northern Affairs and National Resources Act defines the duties and powers of the minister and gives him jurisdiction over "tourist information and services". This has been interpreted to mean tourist information and services so far as they pertain to the federal Government. The Canadian Government Travel Bureau has been given the task of harmonizing its activities with those of the provinces, with the Canadian Travel Association, transportation companies, and all agencies in Canada interested in getting tourists to travel in and to Canada.

The Travel Bureau tries to present abroad a picture of Canada which will attract tourists. Then we reckon that the transportation companies, in competition with one another, try to see who will carry the tourists to Canada. Once they arrive in Canada the provinces try to hold the tourists within their respective boundaries. This effort is coupled with that of the various members of the industry. They try to attract the tourists to every province and area of Canada. That is the broad task as we see it.

How does the Travel Bureau do its job? First and foremost the Travel Bureau advertises in United States magazines and newspapers. About \$1.5 million of its budget of \$2.3 million is spent in this way. We have for the members of the committee, and will distribute to the members, specimens of advertisements being issued this year in United States magazines and newspapers. One might wonder what is the response to such advertising. The response has been very considerable. Last year over three-quarters of

a million inquiries were made of the Travel Bureau. Most of them, in the form of clippings from coupons in magazines and newspapers, seek more material on Canadian tourist facilities. These inquiries are met by the Travel Bureau and literature is distributed to the inquirers. We send them assorted packaged booklets. Whether tourists they are interested in fishing in Canada or honeymooning in Canada or whether they are interested in Canada generally, a specific set of booklets is sent to them.

I might say that we in the Department are very proud that the Travel Bureau has been so organized to meet 90 per cent of these requests within 24 hours, and the other 10 per cent generally within the ensuing 48 hours. That is a large part of the Travel Bureau's program.

The Travel Bureau also acquires and distributes to some 485 outlets within the United States a large quantity of films, which are used for live audiences and which are also used for television. We reckon about 65 million viewers in 1958 had an opportunity of seeing these films.

Incidentally, I think honourable senators would like to have a look at one of the general packages that are sent out to tourists, and we have these packages also available for members of the committee.

Having launched on a very large information and advertising program in the United States, our Travel Bureau tries, through two offices within the United States, to more effectively "latch" onto the tourist who wants to come to Canada. It has been the experience of all those who do advertising that the follow-up is extremely important. We have at the present time two offices in the United States, and the co-operation of five Canadian consulates in the United States. Last year over 100,000 individual inquiries were answered by those consulates and travel bureau offices.

Another activity of the Travel Bureau is the annual federal-provincial tourist conference, which is held to advise the provinces and industry of the Travel Bureau's plans for the ensuing year. It gives the provinces and the industry an opportunity to examine and advise on the Canadian plans for press, film and TV coverage in the United States. It gives the Travel Bureau an opportunity to harmonize its plans with the prospective ideas of industry and of the provinces. We find that this conference provides a very useful ground for an exchange of views. One of the ideas that was suggested two years ago at this federal-provincial conference is now becoming a reality, namely, the establishment of camping and picnic grounds along the Trans-Canada Highway at every 50-mile interval. The idea is to try to hold the tourist in Canada and give him a resting place in the more agreeable spots along the Trans-Canada Highway. The federal Government shares 50 per cent of the cost with the provinces for the construction of these camping and picnic grounds.

The Travel Bureau also maintains a continuous liaison with the industry and provinces at all times in an effort to move with the times and to present abroad the correct picture of Canada. Up till recently that has sometimes been a picture of Canada as a wonderful country with a good deal of lakes, forests, mountains and streams. It was "Canada, Vacations Unlimited". Now we are trying to get the idea to Americans that Canada is the "Wonderful World at their doorstep", that Canada is of easy access, that Canada has good accommodation, that Canada has something different. This year we are trying to get the idea across that Canada has spectacular events such as the Royal Visit, the opening of the Canadian Seaway, the Gaelic Mod, the Calgary Stampede, the Vancouver Festival, and the Stratford Festival.

Senator CAMERON: And the Banff Festival.

Mr. COTE: It has been brought to my attention that it is the opening of the St. Lawrence Seaway and not so much the "Canadian" Seaway. We want to get the picture across to the Americans that the St. Lawrence Seaway is predominantly a "Canadian" work. Two-thirds of the cost have been borne by Canada, and two-thirds of the work has been done in Canada, and we are very proud of the Seaway as a "Canadian" project.

Senator CONNOLLY (*Halifax North*): \$329 billion of Canadian money has gone into this project?

Mr. COTE: That is correct, sir. The Travel Bureau also attempts to find new ideas of promoting a better picture of Canada. One example of this is that this year in conjunction with the Canadian Travel Association the Travel Bureau will hold a National Poster Contest. We have some posters which, unfortunately you cannot see because they are on the board under the mass of booklets. The headings "Canada" "Canada"... are the headings of the posters. They are starting to be a bit dated, and we are hoping to get some results this year in getting new posters which will be attractive in today's context.

So far as the Department is concerned, it believes that the Travel Bureau must not only continue its activities at the present level but it must also get more finances if it is to get a larger share of the United States tourist dollar. At the present moment in this year's estimates, because of the circumstances prevailing, the only large increase afforded in the estimates is something of the order of \$68,000. That was in the advertising portion. It was not a large increase but will enable us to take up the slack in the increased advertising costs by a judicious selection of markets, by new developments in the United States such as the regionalization of national magazines or newspapers are concerned—that is in their regional printings). The Travel Bureau and the advertising agencies have been able to get a bigger impact on the market by changing the form of advertising to colour advertising.

The department believes that the Travel Bureau is doing as much as it possibly can with the dollars it has at its disposal. If we are to maintain and increase our share of the tourist trade we believe that more funds must be made available as we go along. We also believe that more promotion must be done in some of the provinces by the provinces, and more promotion done by industry.

Mr. Chairman and honourable senators, you may think from this discourse that the Travel Bureau is interested only in promotion. The Travel Bureau is interested primarily in promotion, but we are very conscious, in the Department and in the Bureau, that the "plant" to receive tourists in Canada is a very important factor. Although the Bureau itself has not been concerned directly with the plant, this has been more a direct concern of the provinces and of the industry. The Bureau is very conscious, however, that it must not oversell the "plant" in Canada. I think that, with the contacts it has had with industry and the provinces, there has been no overselling of "plant", or no selling that could not be absorbed by the Canadian plant.

In our own Department, realizing the interest and the stake of Canada in tourist markets, we have spent a good deal of time and effort in improving the National Parks, and we believe, although the work is not complete, we are well on the way to having a model plant within the National Parks to accommodate tourists of all types, whether they want hotels, motels, or camp grounds for tenting or for trailers.

I would like to conclude, Mr. Chairman, by saying we are fully aware of the industry's problems on the matter of improving Canada's "plant" in every way. But I believe that, at this juncture, it would be better if I were to stop

and allow the committee to hear first-hand from the Canadian Tourist Association to what its views are on this subject. We shall, of course, be at the disposal of the committee for questioning.

The CHAIRMAN: Thank you. We will hear now from Colonel McAvity.

Colonel James McAvity, President, Canadian Tourist Association: Mr. Chairman and honourable senators, we have prepared a submission, and I think it would be easiest if copies of it were to be distributed. With your permission I would like to read this brief statement, and after doing so I will be happy to answer any questions, and so will Mr. Fisher.

The Canadian Tourist Association is the national trade association of the tourist business in Canada. CTA is a non-profit organization devoted to the improvement of Canada as a host country and to the expansion of tourism in Canada. In the 29 years since its organization (as the Canadian Association of Tourist and Publicity Bureaus) this association has grown from a membership consisting of a few travel bureaus and the railway companies to a roster of 530 members representative of every phase of the tourist business. CTA membership includes the federal and provincial government travel bureaus; municipal and regional tourist and convention associations and boards of trade; the major transportation companies; operators of tourist service enterprise such as hotels, motels, resorts, camps, travel agencies, restaurants and entertainments; newspapers, magazines and broadcasting stations; a wide variety of manufacturing, distributing and retailing companies which produce many types of goods used by tourists.

Except for advertising, the production of tourist literature and solicitation of visitors (which is the business of government and commercial enterprises) the Canadian Tourist Association endeavors to engage in every aspect of the promotion of tourism, the promotion of Canada, and the betterment of the tourist industry which is in the interest of our members and of Canada.

The association provides liaison with governments, industry and commerce, and other associations.

It provides information to CTA members, to the press and to information, news and ideas about every aspect of tourism.

It provides a counselling service for members, for regional and local groups and for business firms and individuals—whether they are members of CTA or not.

It provides speakers who endeavour to inform, and to inspire, exhort and cajole owners, operators and governments to improve Canada's tourist facilities and services.

It co-operates in the planning of special events in every part of Canada.

It gathers statistics and other information about the tourist business and makes this information available to its members and to the public.

It carries on a constant and vigorous campaign to inspire Canadians to know Canada better. They can best do this by travelling in their own land. By pointing out the glorious attractions in this country we help Canadians feel they are missing something by not seeing them.

The Canadian Tourist Association conducts four annual contests to honour worthwhile achievements in the tourist field and to promote improved efforts in the Canadian tourist industry. These are the area promotion contest, the tourist accommodation folder contest, the Julian Crandall conservation contest and the Canadian Wine Institute trophy contest. The last named trophy is awarded to the Canadian newspaper or magazine which has made the greatest contribution to the awakening of public interest in the preservation and development of Canada's historical and cultural assets in the current year.

Each year CTA holds a convention, which provides information, instruction and ideas for people in the tourist business, and it holds regional meetings at which tourist problems are discussed.

By way of illustrating CTA activities, we might mention that during the past month the CTA president, executive director and several directors have, between them, spoken in nearly every province in Canada and have held a regional meeting for the Maritime provinces in Saint John, New Brunswick.

Since the beginning of this year, members of the CTA headquarters staff have written articles on various phases of tourism for the following publications: Canadian Journalist and Press Photographer, the Royal Yorker, Trader's Post (Toronto Junior Chamber of Commerce), Mayfair, Know Canada, London (England) Times, Monthly Bulletin of the Canadian Chamber of Commerce in Great Britain, the Globe and Mail, Hardware Trades, and Hardware Metal and Appliance Dealer.

A current CTA project is a nationwide hospitality campaign designed to improve Canada's status as a host nation. Courtesy and service are most important in dealing with visitors and we believe it is necessary to reform the attitude and raise the standards of hospitality, not only of tourist service personnel, but of the whole public if we are to make tourists happy with their visits in Canada.

The Canadian Tourist Association was fortunate in having the National Film Board to agree to produce an excellent motion picture with the provocative title, Tourist Go Home. Our association arranged well attended premiers in Montreal, Toronto and Vancouver, and the film has already been shown in many cities and towns across Canada. We are hopeful that this film will be of great value in educating operators and employees in the right way to handle tourists.

This association feels that Canada's program of tourist services needs upgrading. There are many experienced, skilled and resourceful operators, but there is a crying need for instruction and help for the smaller operators and for employees in both large and small enterprises.

We made a recent survey of our members and we know that provincial travel bureaus, hotel associations, motel associations, restaurant associations and individual establishments would welcome instructors and instructional material. Very little has been done in Canada. The Canadian Tourist Association is exploring the possibility of providing tourist service clinics, motion pictures for personnel training, instructional manuals, and field men for an all-out program of tourist personnel education. If Canada is going to hold its own in the very competitive tourist trade and gain its share of the rapidly growing tourist market, tourism in this country must be conducted as a highly skilled business. In no other way can we compete with older nations where catering and personal services are a refined art.

The program which the Canadian Tourist Association envisages and would like to carry out requires an enlarged staff and greatly increased finances. We would hope that the means to conduct such an important program would be made available with financial assistance from both industry and government. We are reaching the saturation point in revenue from industry.

If we are to do the big job which needs to be done, then the federal government should stand behind us. The tourist business is composed largely of small operators who gamble against short seasons, the caprices of vacationers and human foibles in general, and for these reasons need help. Governments may not wish to undertake the task of leadership and assistance and therefore could use to advantage a neutral body like a national tourist association.

With full co-operation and assistance from the federal government the Canadian Tourist Association, working with all the components of the tourist industry, could bring into Canada many more millions of dollars and make what is now the third largest industry an even greater factor in the expanding Canadian economy.

The CHAIRMAN: Have honourable senators any questions to ask?

Senator ISNOR: I wonder, Colonel McAvity, if you would tell us how your budget compares with that of the Canadian Travel Bureau?

Colonel McAVITY: I could, indeed, sir. This year our budget will be very slightly in excess of \$60,000.

Senator ISNOR: You do wonderful work for \$60,000.

Senator CAMERON: How is that obtained?

Mr. McAVITY: We have fees—perhaps Mr. Fisher would tell you about it.

Mr. John Fisher, Executive Director, Canadian Tourist Association: All of our money except for a grant from the federal Government is obtained from the membership fees which range from—the largest classification for industrial and commercial corporations is \$300 for a national company. That is on a sliding scale. It comes right down to \$25. I would say the bulk of our memberships are in the \$25 and \$50 classifications. These would include small hotels, local chambers of commerce, and trade associations. We have about 550 members, and as Colonel McAvity has said, they run a pretty good cross-section of the business structure of the country. But we have by no means a high percentage of the potential or of the total tourist breakdown. In other words, we might have perhaps 25 or 30 restaurants out of several thousands. The difficulty we find is that a restaurateur may belong to a local restaurant association and cannot see the necessity for joining our association. So that what we usually get is the affiliation from the parent restaurant association, which would pay perhaps \$100 a year membership fee. So we have our struggles in finding enough money to carry on. We have a very small staff comprised of three young women and Mr. Erwin Kreutzweiser and me to carry on this Herculean task of wandering up and down the country exhorting people and producing articles and pamphlets and all that sort of thing. If it were not for public-spirited contributions by people like Colonel McAvity, who do this work voluntarily—and we have many fine directors—we would not be able to carry on. Our main struggle, which takes so much of my time, is to try to get enough money to keep going.

Senator CONNOLLY (*Halifax North*): What do you mean when you say you have reached a saturation point in the matter of revenue?

Colonel McAVITY: I would like to explain that because perhaps I am in a better position than our executive director to do so. I have been talking to chief executive officers of many large manufacturing companies which in the main produce consumer products. Together with several others in similar positions to mine, we have formed a membership committee. We have approached large manufacturing companies to obtain this \$300 annual fee. I think we have made a very strong case but we have met with considerable opposition.

In the first place, the president of a manufacturing company of a well-known brand of food product which can be found in jars on every restaurant table across this land of ours, said he was contributing now to the local, regional or municipal tourist or convention bureau in some half dozen cities across Canada. He said his local sales managers were required for business

reasons to join these local organizations. The Montreal Tourist and Convention Bureau is an example, and you have them in Halifax, Ottawa, Calgary, Vancouver and other cities. The fee which my own company pays to each of these bodies is more than the \$300 national annual fee. Therefore, in a sense these manufacturing companies have justification when they say to me and others on our committee, "We think we are doing a pretty fair share now of promotion of tourism. We contribute a fee in total that will run between \$1,000 and \$2,000 a year, which is more than we pay to the Canadian Manufacturers Association or the Canadian Chamber of Commerce. Why can't you get the Government or the transportation companies to do more?"

That, sir, is what we mean when we say we have reached a saturation point. Frankly, the number of hours that have been spent by executives of some of the large companies in Toronto, Montreal, Vancouver and certain other centres would add up to a great deal of voluntary time. I would like to add that this phase should not be taken lightly, for our good friend, the executive director, is a very well-known man. His services would be very much in demand by industries generally. We have a problem in meeting the requirements of our administrative costs and our promotion costs and if they are not soon met I do not think that in future years we will have an active Canadian tourist association, if indeed we have an association at all.

Senator CONNOLLY (*Halifax North*): Do I understand your total budget is \$60,000?

Colonel McAVITY: Yes.

Senator CONNOLLY (*Halifax North*): Can we take this as an indication that that is all the money you can expect to get in order to assist in the work of your organization?

Colonel McAVITY: Senator Connolly, I will put it this way. Our potential is limitless. What we need is greater staff now to go out and do more projects and create a greater awareness of the good work being done by our association, so that we may in turn expect members to come in. We are trying hard now to solicit memberships but with very little success. In the soft drink industry we have only one national member, and yet you would think this would be a logical industry to support our association.

Senator CONNOLLY (*Halifax North*): Why is that? Is it because they fail to appreciate the value of the tourist industry?

Colonel McAVITY: I do not think, sir, it is because they do not realize the value of the tourist industry as such but perhaps because we have not sold the value of the Canadian Tourist Association. We have created in the last six months more deliberate publicity, if you like, by making speeches and having articles written to create this awareness, but it is hard to sell the rather intangible job of what the association has been trying to do.

I came into this 18 months ago so I am a neophyte in this field. We have tried hard to find ways and means to get tangible projects that we can actually get our teeth into. I have visited every province in Canada during the last 18 months, some several times, and have talked to many local associations. I have a few comments to make that would seem appropriate at this point in connection with the business of personnel training.

Senator CAMERON: Before you get to that, John Fisher mentioned four provincial Governments. Would you mind saying what four?

Mr. FISHER: Every provincial government travel bureau is a member but our fee varies with the size of the province. Ontario and Quebec pay \$1,500. British Columbia and Alberta pay \$1,200 each. Manitoba pays \$1,000. New Brunswick and Nova Scotia pay \$1,000. Prince Edward Island and Newfoundland pay \$600.

The CHAIRMAN: What about Saskatchewan?

Mr. FISHER: \$1,000.

Senator SMITH (*Kamloops*): With respect to contributions from provincial bodies it is a little difficult to reconcile a budget of \$60,000 in relation to a membership of 530 to 550 members. There is an overall budget being spent on tourist business by the railways and many other members of your organization. Have you any idea of the overall expenditure made by your members in their individual activities?

Colonel McAVITY: It is a very difficult thing, sir. I know that one large oil company, which is vitally interested in the business of promoting travel in Canada, pays us a membership fee of \$300. The president of that company has told me, "If you can show me projects you need money for that would be of interest to the community generally, I would be very happy to subscribe." We are trying hard to do that.

Senator SMITH (*Kamloops*): Perhaps a large operator like that is working on the basis that he is capable of doing a better job for his dollar than some organization such as yours.

Colonel McAVITY: They are promoting a product, sir. That is the real answer. They are promoting their product and, concurrently, they are promoting travel in Canada.

Senator CAMERON: What effort is there to pool the resources of such industries as the C.P.R., the C.N.R., and oil companies?

Colonel McAVITY: I am not sure I understand what resources you refer to when you say "to pool the resources".

Senator CAMERON: Some are spending from hundreds of thousands to millions of dollars on tourist advertising. To what extent is there an understanding between all these agencies that are doing this job for Canada, and in that way making sort of a blanket attack?

Colonel McAVITY: I am afraid that is beyond our scope, but we do have as directors of our association senior officials of all transportation companies—the railways, air lines and steamships. For instance, an air line may go all out to promote travel to Canada from certain South American countries because they have offices in those countries and air routes to those countries. They are all angling for business from the United States and they all have ticket offices and public relations people working on it. It is a competitive thing and works up to a tremendous effort. I don't think any co-ordination exists within the scope of this association.

Mr. FISHER: It exists between the federal and provincial governments and the transportation companies at Mr. Cote's annual federal-provincial conference. I think he would be much better prepared to explain than I would the schedule of the Canadian Government Travel Bureau and how they can co-ordinate. In other words, Nova Scotia has a chance to see just where the federal Government Travel Bureau is going to place its emphasis and co-ordinate its activities.

Senator CAMERON: What support do you get from the Chamber of Commerce? I understand at the Victoria Convention a year ago last summer the western members had the greatest difficulty to even get the tourist industry subject on the agenda. That seems to me to be ridiculous.

Colonel McAVITY: I am going to think carefully before I answer that one. The Canadian Chamber of Commerce and the Canada Junior Chamber of Commerce have been a tremendous help to us. They have been working actively with me and our executive director for some years, but perhaps more so in the recent past. At the present time the Junior Chamber of Commerce,

which I believe has some 300 branches across Canada, has embarked on a tourist hospitality program. It is tied to the one we have described in our brief, and at very little expense to us. We have reproduced certain pamphlets, which you have before you, in the English and French languages, mimeographed memoranda prepared by our staff, and other printed material, and they have put this out to the chairmen of the local tourist hospitality committees in some 73 medium-sized communities where they can do an effective job. We are dealing with the local merchants, restaurateurs and operators of hotels and motels in this project, and so the Canadian Chamber of Commerce is doing a tremendous amount of good. So far as membership is concerned we do have a good number of local boards of trade and chambers of commerce paying us a membership fee, even though it is not 100 per cent legitimate in their own organizations to do so.

Senator CAMERON: Have they at any time made a policy statement as to how important this is to Canada?

Colonel McAVITY: I am speaking from memory. I have attended many Canadian Chamber of Commerce meetings, and the tourist industry is the subject of a resolution which the chamber continually brings forward to the Government of Canada. I do know that for many years they have been holding seminars, instructional clinics and meetings for their secretaries and managers all over Canada, at which tourism and tourist promotion are emphasized.

Senator ISNOR: My purpose in asking the question about the budget, which brought about a very interesting discussion, was to seek a comparison at some future time as to the results from the \$60,000 expenditure by the Canadian Tourist Association as compared to the \$2.3 million budget of the Canadian Government Travel Bureau. I would like to have some comparison of the results from an advertising point of view. I would like to know just how effective each is in promoting the tourist industry throughout Canada. I would like to follow the \$60,000 question with another one, Colonel McAvity, and ask you how much money you spend directly—apart from the wonderful work you are doing by having John Fisher travel to all parts of Canada—on so-called advertising.

Colonel McAVITY: Senator Isnor, the Canadian Tourist Association does no advertising outside this country, no advertising as such anywhere. We do not have that as one of our aims. The advertising and promotion done outside this country is done entirely by federal and provincial Governments, transportation companies and other free enterprise operators such as hotels and resorts. I could name the Travel and Publicity Bureau of Victoria, with its excellent slogan started many years ago, "Follow the Birds to Victoria." Our association does no advertising of that sort.

Senator ISNOR: That is the answer I rather expected; but they have done wonderful work in the broad sense of publicity so far as Canadian travel is concerned. I make that observation because later, on, Mr. Cote, I might be critical of your spending of moneys as to whether you are getting the best results. I say that in a constructive manner.

The CHAIRMAN: You mean expenditures in advertising?

Senator ISNOR: Yes, the general picture. I do not say this to flatter John Fisher. I would say the same thing about Alan Field, perhaps, or Leo Dolan, but the fact that John Fisher travels from the Atlantic to the Pacific means that every time he addresses a convention he is an attraction. It has a great effect on the words "Canadian Tourism". It is helping to build up the tourist trade within Canada, and I think that is a very important factor to consider in future so far as the Canadian Travel Bureau is concerned. That is the thought I want to leave for the time being.

The CHAIRMAN: As I take it, their work is generally to educate Canadians to the value of tourism. That seems to be a very necessary thing.

Colonel McAVITY: Mr. Chairman, if I could add to that I would like to say that our two principal objectives, summed up, would be (1) to make sure that the warm welcome that is being advertised in Mr. Alan Field's splendid advertising is going to be found when the tourists get here; and (2) that we try in every way we know how to get Canadians to do more of their travelling at home, and this has not been discussed as much as we would like it discussed.

There is an interesting sidelight which I might just interject. I am sure it will be of interest to many of the honourable senators here. In the dark days of 1929 and 1930, according to my information, a meeting took place in Montreal of five gentlemen. That is a long time ago; it is 30 years ago. The meeting was attended by the then Chief Justice and one time Premier of Prince Edward Island, Chief Justice Arsenault, Colonel Ralph Webb of Winnipeg, who will be remembered by many, Mr. George Warren of Victoria, Mr. McNamee who was secretary of the Good Roads Association, and Mr. Hely who was secretary to the Premier of Ontario. That meeting, as described to me by one of those five whom I saw just a month or so ago, wound up with five resolutions.

The first was that there should be a Government travel bureau, advertising this country. It was not going to be a way of leading us out of the depression. This meeting was actually called before the depression. This meeting was actually called before the depression hit us. There was a booming economy south of the border, and it was thought that we should do more to have Americans come and spend some of their hard earned dollars with us. The second resolution was—and this was in 1929—that there must be a Trans-Canada Highway; third, there must be more effort made to have Canadians travel back and forth across that highway in order to get to know one another better, and not just from the point of view of vacations but in the interests of national unity. Fourthly, they prescribed at the same time that there should be provincial Government travel bureaus and liaison between them and the federal travel bureau; and, finally, that there should be a national association, of which the outcrop was the Canadian Tourist Association. It was originally called the Canadian Association of Tourist and Publicity Bureaus.

I say this because that meeting resulted, as I am told, in the meeting that was held by the late Senator Dennis which resulted in the formation of the Travel Bureau. It took a long time for the Trans-Canada Highway to develop, but it is the fifth and last of these five recommendations which have materialized, and one of the reasons, sir, why I am so pleased to have this opportunity to be here to represent the industry, which is aware of the importance of tourism, is this, that while we have an active tourist association—it has been going on for 29 years—I feel, as do many businessmen, that an association cannot stand still: it has got to go ahead or it is bound to go backwards. We have reached a point now where I would suggest some action must be taken. If we could have a committee of five who could sit down with the foresight and boldness of those other five it might be a good thing. If we could have this committee of yours, Mr. Chairman, take into serious consideration the problems that confront the industry, and the relationship of those problems to an active tourist association on a national basis, our mission would be accomplished.

Senator ISNOR: I think I remember that meeting, Colonel McAvity. I think, as Senator Connolly will recall, I attended the first meeting that was held here in Ottawa.

Colonel McAVITY: I have a photograph of the meeting that followed that first meeting of five, and I believe you, senator, are one of those present.

The CHAIRMAN: Canadians travelling abroad should know their country very well, because it is rather embarrassing when one goes abroad to find that Americans know more about our country than we do ourselves. They know more places. Canadians can more intelligently encourage tourists when they know the whole of Canada. It seems to me that there is no mention made—well, your general picture is, of course, that each Canadian becomes conscious of his part of the country, but I find there are too many who talk of the lack of finances for the small operator and the disadvantage of the short season. My experience with many of them is that they want to pay for their place in one season by excessive charges having regard to the service they render. There is that unfortunate situation, and, human nature being what it is, that will exist, and Canadians will go to the United States to spend money, especially with the advantage of the exchange rate that they get at the present time. Surely, every Canadian motel, hotel and restaurant operator could be expected to make the gesture and accept American money at its face value, regardless of the fact that there may be a 3 per cent, or whatever it is, discount. I think that would create a wonderful feeling if it were done. What is your opinion on that?

Colonel McAVITY: I have two things to say, sir. The first is that the Canadian Government Travel Bureau, out of its budget, has produced a card—there is one posted up here—headed: "Use Canadian Money". This indicates to the Americans—and it is posted in prominent places—that they should go to a bank to change their money. It achieves a very useful purpose where it is used in that it avoids an argument at the retail level between the cashier and the tourist who is in a hurry on a hot day—and a lost temper can spoil a good steak, as our good friend, John Fisher, has said so often.

The second thing is, sir, that I have spoken to the presidents of three Canadian chartered banks and have suggested to them that in the interests of public relations and good community relations they consider the idea of establishing, at least at the major border crossing points, money changing posts. If they did it at, say, eight or nine, they would cover probably three-quarters of the visitors coming to this country. At these posts the money could be changed, but we suggested that they avoid the use of the word "discount" which has a very bad connotation. If they said that the exchange rate is thus and so, the visitor would not be offended.

Senator CAMERON: That is a very good suggestion.

Colonel McAVITY: Unfortunately, the banks, sir, said it was not very practical. They would have to be open for at least 18 hours a day, and it would present them with later problems.

Senator CAMERON: You can go to any foreign country, and the first thing you do after you go through the check points at the airports is to change your money.

Senator CONNOLLY (*Halifax North*): Colonel McAvity, do I overstress it when I say it is the feeling of your organization that you are going to become static unless you have access to more revenues?

Colonel McAVITY: That is a very fair interpretation of what I am trying to get across.

Senator CONNOLLY (*Halifax North*): And do you have any suggestion as to what further revenues you may be able to get your hands on?

Colonel McAVITY: I have, sir.

Senator CONNOLLY (*Halifax North*): Would you let us have them?

Colonel McAvity: I have, actually, six points which I wanted to sum up with. I would say more interest and/or more money might be forthcoming from the federal government level, which should be in addition to the provincial government money in many instances. These six points are as follows: First, speaking on behalf of an industry which is a very widespread one, I say that our purpose is to get greater volume. In that respect we are in exactly the same position as every other industrial association. We want to see greater volume of business for our members. We think that to produce greater volume of business, both of Canadians travelling within Canada and, perhaps more particularly, of the new money that the visitors to this country from outside bring in, we must spend more money on advertising and promotion.

The money that is now spent by the Canadian Government Travel Bureau under the terms of reference outlined by Mr. Côté in the opinion of most private citizens like me to whom I have talked, is well spent. I think that when a pat on the back is due it should be given. The advertising today speaks for itself. They are using a lot of very good "hard-sell" messages, which is what the advertising profession would call them. They tell stories about things like the royal visit to the St. Lawrence Seaway. One advertisement I have seen uses the slogan: "Come and see history in the making". That appeals to a lot of Americans. I was in Ohio a week ago today, and I had this brought to my attention by many people in Dayton. This is good advertising. The only trouble is that there is not enough.

In a submission to the Royal Commission on Canada's economic prospects, known as the Gordon Commission, in January, 1956, which we presented and which I can table here, was listed the average promotion expenditure per tourist in some nine different countries. This list shows that the high was Nassau in the year 1952, which was the last available year, with a figure of \$10 per tourist who went there. Bermuda was second on the list in 1953 with a figure of \$7.24. I will not list all these, but the figures dropped down to a low of, at that time, Canada with 64 cents per tourist who came. As a businessman I would say that it is only common sense in the interests of the shareholders to promote as hard as one can a product that is profitable.

In a range of products management will pick out one that seems to have a real profit potential, and will advertise it and promote it to the limit, knowing that the advertising, so long as it is good and effective—and there are checks for that and they are being used here—followed up by promotion and sales effort in the field, is bound to produce greater business as long as the product is right.

We—and certainly our executive directors—have long been trying to make it very clear that our product, which is Canada, is right. It is a profitable business. Even though it ranks third highest of our exports we lose nothing of our national resources; we ship nothing—

Senator ISNOR: Why do you say it is the third. It is the second, is it not?

Colonel McAvity: It is the second largest producer of American dollars. Wheat exceeds it in the good years. In world trade the order is newsprint, wheat, and then tourists. We lose nothing. At the most we lose fish out of our lakes. We may get more potholes in our roads, but we are building good roads today. Our plant has improved tremendously over the last 15 years, as everyone who travels this country knows. We have broad highways, cloverleaves, traffic arteries, and the motel and hotel facilities have vastly improved. Canada is a good country to visit, in the opinion of many, and there are very few problems left for us to face.

I have got a bit off the track, but point No. 1 that I want to get across is that to produce more volume we have to have more advertising. That is

being done now by the provincial and federal governments and transportation companies, and some smaller operators such as hotels and resorts. We think that it should be expanded, and that it should be brought into line with that of other countries.

The second point is in regard to an area in which there should be some expansion of our effort, of the sales effort or the promotion effort to follow this up in the field, and that means in the market that is receiving our advertising.

If a company with a product to sell puts advertising in national magazines and newspapers, and does not follow it up with the sales effort and somebody to take the orders and to visit and call on the retail trade—and in the same way we must call on the Rotary Clubs and the press clubs, et cetera, and meet the people—it is just so much wasted overhead. In a sense, then, I suggest that our government travel bureau's operations can be compared to those of a mail order house, and we think they can be improved, especially if they had more sales offices in the great market to the south of us. They opened an office in New York, I believe in 1950, when Mr. Alan Field was posted there by his predecessor, Mr. Dolan, and only last year a second office was opened in Chicago.

Mr. FIELD: No, that office was just moved.

Colonel McAVITY: In any event, there are just these two offices and we maintain there should be offices in places like Boston, where people could go to know more about our Maritimes—and Heaven knows there are enough Maritimers there—and in Cleveland, Ohio, and San Francisco, California. There are tremendous markets there. People are not coming to Canada from those places as much as they would if we had more people on the ground there, following up our advertising and stimulating by word of mouth the attractions of Canada.

Senator CONNOLLY (*Halifax North*): I don't think anybody can dispute that.

Colonel McAVITY: The third point I want to make is that our association submitted a brief to the Minister of Finance, the Honourable Donald Fleming, a year ago. It was a lengthy brief prepared by a number of our members who are interested in the front line operation, the resort-motel-restaurant type of operator. In our brief we appealed to the Government of Canada for a scheme comparable to that enjoyed by Canadian farmers under the Farm Improvement Loans Act. It would be operated through chartered banks with a government guarantee. I will leave the details of that for a moment and proceed to the other points. The details can be discussed with you by Mr. John Fisher, who has the figures at his finger tips. The purpose of this would be to help going concerns and not for the purpose of starting up new businesses.

Senator CONNOLLY (*Halifax North*): You know, of course, that the chartered banks are sympathetic to loans of that type.

Colonel McAVITY: I do.

Senator CONNOLLY (*Halifax North*): And that under an amendment to the Industrial Development Bank Act now before Parliament, there may be a real possibility that assistance can be had.

Colonel McAVITY: To say that I know that would be an exaggeration. However, I have talked to members of our association who have discussed this matter with officials of the Industrial Development Bank. In four provinces, of which your own is one, Senator Connolly, there is a loan system set up by the provincial governments.

Senator CONNOLLY (*Halifax North*): That's right.

Colonel McAVITY: Many feel that this is not satisfactory because of the nature of things having to do with political connections, and so forth. In one province the government official responsible for this has told me he wished it could be done under free enterprise through chartered banks.

Senator ISNOR: Or some other channel?

Colonel McAVITY: Yes., the Industrial Development Bank or some other agency. Mr. Chairman, the fourth point which is expounded in this brief has to do with the need for training the human beings who receive visitors, the citizens of Canada with whom visitors come in contact. I don't care whether the visitor come from Ohio or from Kalamazoo or whether it is the case of an Ontario citizen visiting Nova Scotia or Prince Edward Island, all of us when we are travelling are impatient and fidgety and hard to please. Honourable senators are away from their own communities long enough to know that it's not like home when they are living in hotels and eating in restaurants. The human aspect of this tourist industry business is very important. I would like to refer back to Mr. Côté's comments as to the terms of reference under which the Canadian Government Travel Bureau was set up, including a phrase to the effect that the bureau is responsible for "information and services". Quite rightly, I believe, the federal Government has not attempted to get into the personnel training system. I would be the first to admit it would be a difficult job, if not an unfitting one, for the federal Government. We think that our association, in conjunction with associations such as the restaurant, hotel, motel and resort associations, are the people who should be responsible for this training. We have a long way to go if we wish to aspire to the hospitality standards which exist in some of the old world countries or in some of the new popular resorts such as Honolulu.

Senator FERGUSON: Do they have training systems in those countries or is it just that their people have a pleasant manner?

Colonel McAVITY: They are better shopkeepers than we are. We are. We are not a nation of shopkeepers and we do not bow and scrape easily. Perhaps our rugged individualism, as it has been called, has something to do with it.

The CHAIRMAN: Sometimes we are kind of miserable cusses.

Colonel McAVITY: I cannot say that in this committee: I might say that one of the objectives of the Canadian Tourist Association is to develop on this continent a reputation for northern hospitality with the same meaning and force as the southern variety, which has become so well known.

Senator CAMERON: In other words, we need to have a northern variety of good fried chicken.

Colonel McAVITY: I don't care how the chicken is cooked so long as it is tasty and is served graciously, and the waitress is pleasant and I get a smile from her as I leave. I will return if that is the case.

The CHAIRMAN: I think our garage operators and mechanics have a large part to play in respect to hospitality. I know from experience in travelling in the United States that whenever I tell them I am from Canada they drop everything they are doing and get right to work to fix up my car.

Colonel McAVITY: It is a wide area. Our association recently sponsored luncheons in Montreal, Toronto and Vancouver. To these luncheons we invited the chief executive officers of many leading Canadian companies. Some were members of our association but many were not. Our purpose was to ultimately increase our membership. At the head table at each of these luncheons—and Montreal was the biggest one, so I will describe it—we had 38 people from the tourist service industry. They were all in uniform. Among them were a red cap, a conductor from the C.P.R., a ticket agent, an air line stewardess, a

waitress, a cashier, a chamber maid, a clerk from a chain grocery store, a sales girl from a candy shop and a sales girl from a flower shop, a garage mechanic, a customs official, a provincial policeman, a municipal policeman, a counterman from a liquor commission store, and so on. All these people were marched in behind a piper. In the audience were the presidents of many large companies, including one of our government-owned railways and his vice-president, and the president of our largest bank. He was sitting in the back.

The CHAIRMAN: The banker didn't take any chances on sitting at the front.

Colonel McAVITY: There was a tremendous ovation when John Fisher introduced the head table by saying, "This is the most important head table ever to be assembled in Montreal in the name of hospitality." So it goes beyond the garageman and the others we have named. If I may conclude I have covered four of the points, and this last one will be more brief. Training of personnel is something we urgently need. In our travels across the country we have found a great need for it. Department store managers and other business men have expressed their interest in it. We would like to see money made available from some source—and so far we have not been able to uncover any—to set up a curriculum of training and to enable us to provide training pamphlets and slides showing the right and wrong to do certain things. We have sent out a questionnaire and answers are still coming back from provincial Government travel bureaus, associations and others. The questionnaire deals with everything from the purchase of food to its preservation and preparation through to the setting of the table, and the subject of politeness, table decoration, outdoor and indoor decoration, and the importance of making the traveller feel at home in every respect. I suggest that somehow if the Government of Canada sees fit to increase the expenditure for travel promotion, some of the money should be made available for these training purposes.

Senator INMAN: I was just going to remark that we carried on such a project in Prince Edward Island for several years. The course would last a week and we found it a great deal of help. We did not cover as much ground as you are speaking of, of course.

Colonel McAVITY: Senator Inman, your people did a very fine job of arranging a seminar but the training material they used came from Cornell University, the Encyclopedia Britannica, from Washington, from Kansas State University, Ohio State Agricultural College, and so on. There was nothing Canadian, and that is what we need. We need it for the same reason as the Canadian Army had its own Canadian Army training pamphlet. I don't know how our generals would have contributed to the winning of World War II if it had not been for the Canadian army training pamphlet.

Senator CAMERON: A selling job to be done with the individual hotel, motel or restaurant operator.

Colonel McAVITY: That's right.

Senator CAMERON: Three years ago at the request of the Alberta Hotel Association I prepared a program with respect to this very kind of thing, but the response from the hotel and motel operators was not sufficient to warrant going ahead with the project. The association was very anxious that this be done, but the response from the individual members did not warrant our proceeding. So a selling job has to be done at that level.

Colonel McAVITY: That is very true. We are conscious of that. There has to be a lot of work done by the local associations, by junior and senior chambers of commerce and by boards of trade. The starting point is to produce good

material and publicize it so as to bring the people out. A month ago I spoke to an hotel operator in Port Hope, Ontario, and asked him if he would be interested if a junior chamber of commerce meeting were held in the legion hall the next night where employers could teach waitresses to be better waitresses, and so on. I asked him would he have his staff attend such a meeting, and his answer was, "Hell, McAvity, I would close the place and take them down in my own car. That's how important it is to me".

The fifth point is that in addition to the necessity of money for the various things I have mentioned, I would like to see consideration given to the tremendous challenge that confronts this association, the need for more staff to perform the duties which are now being done only on a sort of surface-scratching basis. We need a far greater staff. When we compare our work to that of the Canadian Chamber of Commerce, as an example, we may suffer in comparison because they embrace all industry. However, ours is certainly important enough to warrant having some of the senior staff people follow our executive director, for example, and share his speaking tours and the writing jobs and the creation of promotion material, the know-Canada-better campaign sort of thing, which we are actively trying to inspire into many of our members constantly. We need help in that direction.

The CHAIRMAN: Colonel McAvity, you feel, then, that this year there is a tendency towards a vast increase in travel, and you also endorse the statement that you need help immediately?

Colonel McAVITY: It is almost as though you are reading my mind, in the same way as Senator Connolly did, because my last note is that all these things are urgently needed this year for three reasons. The first is that 1960 has been set aside in the United States as a "Travel U.S.A." year. It has been heavily endorsed and publicized by their leaders of government, including the President, and one of the tourist and convention bureau executives in one of our major cities has already been told now that three conventions that he expected would come to his city in Canada in May of 1960 have changed their minds. They had made tentative bookings, and they were cancelling out because of this pressure to "Travel U.S.A." in 1960. Here, then, is a big increase in what is already a highly competitive situation.

The second reason, is, and this particularly relates to the Government travel bureau's expenditures, and we have recommended here—not in the brief, but in my statement verbally—that the Government travel bureau's expenditures should be increased. Advertising costs, media costs and printing costs, I know as a businessman, have risen by about 35 per cent in the last two or three years, so we are actually doing for the same amount of money about a third less in terms of insertions and readership. We must keep up with the Joneses. In fact, I think their proximity and ease of access is reason enough for us to exceed them, and certainly not fall behind small central American and Latin countries. Now there are the West Indies, and Europe. We must go ahead, or we will fall behind.

At the same time, I would like to say that this year is an important year for a reconsideration of the opening of more offices of the Government travel bureau in the United States of America. There was a recent decision made which came to our ears only recently that an office planned for San Francisco has been at least postponed. It is important that that office should be opened. It is particularly important to our members in western Canada, and we heard of this in the western provinces many times in our meetings out there last month.

Finally, the exchange rate problem seems to be something that is going to continue with us for a time. It means that people have to pay more to come to Canada for a vacation than to go to Mexico where their dollar is worth more.

A company with a high priced product, in order to maintain sales volume, spends more on advertising. You can compare two food companies of equal reputation, and you can tell which one sells more by looking at their retail prices. We must spend more to keep going ahead.

So, this is an important year, sir.

Senator DAVIES: I am sorry for being late, Mr. Chairman, but I was attending another committee. May I ask how much the Government travel bureau is spending on advertising at the present time in the United States, and what agency is handling it.

The CHAIRMAN: I think Mr. Cote can best tell you that.

Mr. COTE: We are spending, Mr. Chairman, near to \$1.5 million annually on direct advertising, and as far as the agencies are concerned I would like Mr. Field to answer that.

Mr. FIELD: We have three agencies which we appointed, and then later two of them amalgamated. We have Stansfield, Johnson and Hill who are in Toronto and Montreal. The Toronto group handles our magazine advertising, and the Montreal group handles our general newspaper campaign. Then we have a special Atlantic provinces campaign which is handled in Toronto by—

Senator DAVIES: That is all right. All I wanted to say is that I have heard some criticism of the Canadian Travel Bureau's advertising in the United States, with which I do not agree. I have seen a lot of insertions in the United States magazines, and I think the advertisers are doing very well, indeed. It is all very well to say we should not show Canada with the mounted police and all that sort of thing, but I think that is a good idea. I am quite pleased with the advertisements I have seen in magazines such as *Time*.

Mr. FIELD: May I just add the name of the third agency. I should have remembered it. It is F. H. Hayhurst Company Limited, Toronto, who handle our special Atlantic provinces advertising.

The CHAIRMAN: I might say that Col. McAvity belongs to the Tourist Association, which is really a separate organization and which promotes tourism in Canada. He has been telling us about what they are doing, and they are doing very fine work. Their total budget is only \$60,000.

Senator DAVIES: That is the Tourist Association's budget?

Senator CONNOLLY (*Halifax North*): Yes. I am happy about this fact, Mr. Chairman, that everybody knows more about the industry than the people actively engaged in it. You can find an expert every half a block who can tell you what ought to be done, and that has been true of the industry ever since it came into being, and will continue to be so. Having regard to that I am not any more impressed than Senator Davies is with the criticisms we have been reading in the newspapers.

Senator ISNOR: Coming back to these statements made by Colonel McAvity in those five points he mentioned, I was particularly interested in the outcome of the negotiations with the Government to arrange loans for hotels, and so on. Did your brief go any further and make any requests of the Government of a financial nature? I am not one, Mr. Chairman, to encourage people to make demands on the Government, no matter which Government is in power, for the simple reason of avoiding expending money, but if I see a good case where I think it is an investment then I am quite prepared to suggest that it be considered. With that thought in mind, and the fact that 15 per cent of their total budget—that is, the Canadian Tourist Association's budget—is being derived from the provinces, I was wondering as to whether the Canadian Tourist Association had ever made a direct appeal to the federal Government for a substantial amount?

Colonel McAvity: We have in mind at the moment a plan to come to Ottawa with a formal submission in detail spelling out the type of project that we would like to see carried out, the staff that we would need to carry out these projects, and the amount of money involved. We have been given assurance, if you like, that we have ready ears here to listen to us, but we have no definite submission placed as yet.

I mentioned earlier that the terms of reference of the Canadian Government Travel Bureau deal with information and services, and somehow we might be able, as long as it is not going to take away from this much needed money for promotion and advertising—without that we would be lost—to get some extra money.

Senator ISNOR: I would be more inclined, Colonel McAvity, to favour a grant being made by the federal Government to your association to carry on the work you are doing in preference to the suggested plan of making loans to hotels, because I think that is a profit-making enterprise venture and should be handled as such. I believe I told Mr. Fisher, if I remember correctly, or someone else, some years ago that that was my thinking.

Colonel McAvity: May I make one further comment for the record, Mr. Chairman. I might say, Senator Isnor, that that brief received a very cordial reception. The Honourable Mr. Fleming as Minister of Finance not only discussed it at length at Ottawa but he was good enough later to come to our offices in Toronto and discuss it with the members of the committee there in order to try to make some practical suggestions as to how it could be made to work. It has not been acted upon as yet, but I know it has had serious consideration.

Senator ISNOR: Senator Connolly is better able than I to reflect the feeling of, and the results in, Nova Scotia, and our experience in that connection with regard to making loans. I do not think they were particularly satisfactory.

Senator CONNOLLY (*Halifax North*): No, I do not think that is quite correct. As in all places of lending agencies we did suffer some unfortunate experiences, but on the whole the moneys have been repaid on time. In some cases there has had to be an extension of time, but I would say that 86 or 87 per cent of all tourist loans were repaid, or are being repaid, in Nova Scotia.

The CHAIRMAN: You are speaking now of loans to men in the tourist business—in the catering of it?

Senator CONNOLLY (*Halifax North*): That is right. You see, Mr. Chairman, we have not touched the provincial angle in regard to tourism here, and we should not, up to this moment, except Mr. Côté to make a reference to it in his opening presentation, but the fact is that the tourist potential in Canada will never be properly developed until there is real and actual provincial participation. Unhappily, the resources of some of the provinces are definitely limited, and when poor provinces—and do not smile when I mention this because I am not going to mention the name of our own province—when poorer provinces, are compelled to set up money lending agencies we are in the same position as the Canadian Tourist Association. That is a voluntary association, and to it we owe a great debt of gratitude, because without the efforts of Mr. McAvity and his committee today our tourist picture would be very much less than it is.

The CHAIRMAN: But you have all the advantages of tourist attractions in your province.

Senator CONNOLLY (*Halifax North*): Even in my modesty I must admit that, but the dollar is still terribly important, and many of the provinces of Canada do not have the dollars, and that is why I welcome the Industrial

Development Bank which may take us out of the money lending business—the business of lending money which we do not have to lend in the first instance—and putting this business where it belongs, and that is upon the federal agency. We do not object too strongly to being poor cousins, but we do not like to be imposed upon to much.

Mr. FIELD: I have an observation to make which may be of interest to the honourable senators. I have recently returned from a rather extensive automobile trip through the Maritimes to see some of the tourist plant there which is an outcome of the loan system which Nova Scotia has had for some years. They have actually succeeded in up-grading the accommodation in the province because when a loan is made the operator who requests that loan must submit the plans for his establishment and it is, therefore, possible for the provincial hotel licensing branch to inspect the plants, and to make suggestions as to improvements over what may have been the original intention. This is reflected, I am sure the honourable senator will agree with me, in the considerable increase in the standard of accommodation in Nova Scotia.

Senator ISNOR: That is correct.

Colonel McAVITY: Perhaps I could add one more thing, Mr. Chairman, following up Senator Connolly's suggestion as to the importance of the provincial governments in this scheme of things. We do have as members—in fact, as directors of our association—representatives who are usually deputy ministers or travel bureau directors, from each of the provinces, and we are in very close contact with them. Our association is the only co-ordinating body apart from the one conference that Mr. Alan Field holds in Ottawa to discuss the co-ordination of advertising.

I was going to add my sixth point which I would like to make, and it deals with a number of areas in which the federal Government's interest could well be expanded. We would like to see an expansion of the campaign now under way by the Travel Bureau in regard to campsites and picnic grounds, and that kind of thing—trailer parks, and so forth. We would like, at the same time, to see serious consideration given to the growing trend of travel by families, or by family units.

We have a situation wherein it is the teenagers who say when the vacation will be held, and very often where the vacation will be held. Having regard to that, there must be things to do for these teenagers. For those of us who have teenagers today the problem is to keep them busy with outboard motors, water skiing, tennis and other active sports. Teenagers do not intend to sit on the beach or play golf with their fathers, or watch their mothers knitting, so once the youngsters get past the sandpile stage then provinces like Prince Edward Island, which are beautiful provinces, are not going to be the ones to which these families will return unless there is something for the teenagers to do.

Senator CONNOLLY (*Halifax North*): This is the first religious note that I have heard introduced here today. What I think Colonel McAvity is saying is that the family that prays together, stays together.

Colonel McAVITY: That is right. Next, we think there should be an immediate plan or an immediate announcement of any plans there might be in regard to Canada's centennial. 1967 is not far away. I personally spent almost a full day discussing the British Columbia Centennial and its plans, the report submitted by its committee and the grants-in-aid scheme under which they got the municipalities to operate. It was a very efficient system of delegating the various tasks, projects and festivities, and believe me, it is going to take eight years for that whole system to be done on a national basis. We have been talking about this for a full two years now and we have yet to see any appointment made of some one expert or some one department to take this task in hand.

Finally, we have had a great many comments from various sources about the situation pertaining to those who arrive in Canada by air. Our air terminals are in the process of being built, and in many cities they have been in that process for a long time. My own city of Montreal is in that category. The accommodation provided at the present time is far from what we would consider satisfactory when we think of the importance of the first impression to the traveller and visitor. Recently I met two prominent visitors from England at 4.30 in the morning. They arrived at the airport and I was apologizing within five minutes' time for the situation that confronted them there. I have heard from others about the lack of simple thoughtfulness. For instance, anyone who needs to take any sort of sedative or pill before taking an aircraft at any of our airports, with the exception of Calgary, has to do so by taking a drink from a fountain or by putting his mouth under a tap. There are no paper cups provided in any Department of Transport airports. That is only one example of lack of facilities and lack of thoughtfulness with respect to our visitors who travel by air.

These six points, sir, summarize, I think, the major issues we wished to put before you. May I take this opportunity to say how much we appreciate the privilege of appearing before you today.

The CHAIRMAN: We appreciate very much having you.

Senator CAMERON: There are two points arising out of your last comments. Every time I land at the Ottawa airport I think what an awful impression it must make on people coming to this country for the first time. It is the most disgraceful place of welcome we could have in Canada. It is the worst. I am glad changes are being made. You mentioned that something should be done for the youngsters who visit our tourist centres. This is one of the greatest needs in our tourist industry today. Whenever the weather is unfavourable at any of our national parks, whether families are staying in camps or in motels, there is nothing for their little tots to do. There are no shelters where they can work or play. A concentrated effort should be made to establish some facilities to look after the children, otherwise families will not want to travel in our country.

Colonel McAVITY: I have one other statement. It concerns something suggested to me before coming here. I might cover it briefly, if I may. It concerns what industry is doing apart from having membership in our association. I would like to pay tribute to the excellent work done by the Canadian Pulp and Paper Association, the Canadian Adult Educational Association, and the various individual companies, in which I would like to include my own, Seagrams Limited. There is an organization known as Canadian Information Abroad, which meets pretty regularly. It is comprised of very active advertising and public relation executives from many large companies, including the Aluminum Company of Canada and various automobile manufacturing companies and others. There is a great deal being done by them to promote Canada outside Canada today, and it is something that many of our citizens are not aware of.

The CHAIRMAN: Excuse me, we have to adjourn at 12.30 and we have with us Dr. J. Lawson Mackle, Director of Public Relations, Joint Board of Ontario Travel Associations. As he may not be able to address us at a later time I was wondering if he might say a few words now.

Dr. MACKLE: Mr. Chairman and ladies and gentlemen, it is certainly a privilege to address you but I did not come here to make a speech, for which you should be duly thankful because tourism is close to my heart as a public relations officer and as an operator of a tourist resort and if I ever got started I would be here until 4 o'clock. May I say on behalf of the Joint Board of

Ontario Travel Associations I certainly appreciate the invitation to appear before your committee this morning. I know you have not got time to hear our problems now but briefly the chief reason the tourist business in Ontario—and I can talk about Ontario because I am more familiar with the tourist industry in this province—is not getting a high percentage of American tourists is that we lack sufficient first-class accommodation. As a matter of fact, we have a difficult time to keep those tourists we do get. One reason for this lack of facilities is that our motel and tourist resort operators have a limited method of borrowing money for capital expenditures. For instance, if they want to enlarge or improve their establishment they have to finance their project by capital gains or go into the black market of financing and pay exorbitant interest rates. We have appeared before the Industrial Development Bank officials, and I have had an interview with the Minister of Finance, the hon. Donald Fleming, on the subject of loan assistance for our people and I was given to understand that loans were made by the Industrial Development Bank to businesses that employed labour. I asked them how they supposed we ever operated our tourist resorts without employing labour. We employ 40,000 people during the summer months, mostly high school and university students who are trying to make money to help finance their education. I do think we are getting some place in this direction.

The federal Government has the Farm Improvement Loans Act, which has been in operation for 14 years, for the benefit and assistance of the farmers, and I consider that tourist operators have just as good a reason for getting financial help for their businesses. I happen to own a farm which is only one-tenth the value of my resort, and yet I cannot borrow money on the security of my resort from any financial institution but I can on my farm.

Senator DAVIES: Why?

Dr. MACKLE: Because banks do not want to loan money over long terms to any organization whose security is real estate. I have found out that Government losses under the Farm Improvement Loans Act has been less than one-tenth of 1 per cent up to 1958. They operate through chartered banks and the farmers have to stand on their own feet and establish their credit with the bank. I think that is ideal, but I cannot see why tourist operators cannot get similar loans. We have to go into the black market of financing. I know an operator who ran into contracting troubles and didn't get operating until the 19th of July. He lost three full weeks of the tourist season. However, his net take, despite an overall decrease of 10 per cent in tourist business in Ontario, amounted to 22.91 per cent over his total net take for 1957. I don't think, ladies and gentlemen, that any legitimate business in the Dominion of Canada should have to resort to paying interest rates of 14 per cent to get money.

I was called to a meeting last night, and this will show what is happening right in your city of Ottawa. One of our members wanted to borrow money to expand his premises. He has a very fine place worth about \$300,000. Finally he got a company to come in and offer to loan him \$300,000 at 10 per cent, payable in 15 years. It means that this operator will have to make \$60,000 a year, because that money has to be paid out of tax dollars, and the Government is taking 53 per cent of his \$60,000, and the balance goes to the mortgage company. I am just using that as an example of what is happening right here in the suburbs of Ottawa. You can judge from this illustration the adverse conditions under which we as tourist operators are trying to upgrade our services in order to give the public the type of accommodation that they expect to get when they come to visit us in Canada. Thank you.

Senator DAVIES: You said that the Government took 53 per cent. That is only on an incorporated company.

Dr. MACKLE: Yes.

Senator DAVIES: Do you mean that all these motels are incorporated?

Dr. MACKLE: No. That was just one example I gave you. I can give you many others.

The CHAIRMAN: You have one lovely place four miles or so west of London. I don't know how they financed it.

Dr. MACKLE: I run into this sort of thing all the time.

The CHAIRMAN: I am afraid we will have to adjourn now.

Whereupon the committee adjourned.

OTTAWA, TUESDAY, June 16, 1959.

The Standing Committee on Tourist Traffic met this day at 2.30 p.m.

Senator R. B. Horner in the Chair.

The CHAIRMAN: We have here Mr. Alan Field, Director, Canadian Government Travel Bureau; Mr. John Fisher, Executive Director, Canadian Tourist Association; Mr. E. A. Cote, Assistant Deputy Minister, Department of Northern Affairs. Who shall we hear first? We did not give Mr. Fisher any opportunity on a former occasion. How would it be if we heard him now?

Senator ISNOR: I think, in view of the fact that Mr. Fisher has to come here to Ottawa, and Mr. Cote and Mr. Field and the others are right here in town, we should hear Mr. Fisher, if that is acceptable.

Mr. JOHN FISHER (*Executive Director Canadian Tourist Association*): Honourable Senators, I have no prepared text. I would simply like to recapitulate the comments expressed by our president, Col. James McAvity, about the importance of the objects of the Canadian Tourist Association, and how we feel about the travel industry in general.

The aim of our association is to improve the plant at home, in the hope of attracting more Americans and other outsiders and of encouraging Canadians to move around their own country so that they may appreciate their heritage more. To that end we produce articles, write speeches, and make many trips across the country, trying to create a more favourable climate among industry and governments on the subject of travel in general. We think we are making a great deal of progress. We can tell that from the mushrooming growth of regional tourist associations, and an increased interest on the part of chambers of commerce in establishing tourist committees; in the development and construction of motels and other accommodation units. We can tell it from press-clipping services, we can tell it from the calibre of the men who are rallying to the support of the Canadian Tourist Association. Col. James McAvity is a good case in point—a prominent businessman who gives up his time and at his own expense travels right across this country in the name of tourist promotion. There is Mr. Frank P. Sherk, President of H. J. Heinz Company of Canada Limited and first Vice President of Canadian Tourist Association; Mr. J. L. Dampier, second Vice President of Canadian Tourist Association and Assistant Publisher of the Vancouver Sun; and Mr. Harvey M. Dagg, third Vice President of the Canadian Tourist Association and Business Development Manager of the Bank of Nova Scotia. Ten years ago we were not securing dedicated talent of that kind, so we feel that tourism is at last beginning to receive its proper attention. We have only scratched the surface, and, as you have heard from testimony here the other day, a great deal must be done in the way of spending more money and using more imagination to

reduce our onerous international travel deficit. We feel that more money should be spent by the Canadian Government Travel Bureau in its budget for advertising in the United States, and when we say "a great deal more" we mean a lot more—not only in the field of advertising, but also in public relations itself. It seems rather incongruous to us that Canada, a nation with one-tenth of the population of the United States, should be spending more money in that country than all the 171,000,000 Americans are spending here; and this behooves us to re-examine the whole tourist picture in Canada and to see where we are going and where we may be short.

We also feel that the Canadian Tourist Association, being a non-profit body, and national in scope, and a mouthpiece of the travel industry, can do many things to back up the Canadian Government in its efforts to increase this big business, exceeded in terms of getting American dollars only in the export of newsprint. We believe that we can do many things in the field of training, in the field of education and stimulus generally, if we can receive more support from governments.

If this year seems a little tough, next year Canada is going to feel the competition more seriously than ever, because the Americans have now organized a most gigantic and imaginative programme of travel to the United States in 1960. It is our belief that the United States has always been our main competitor, especially in the northern states, and that next year is the year to watch out for. Our counterpart in the United States, the National Association of Travel Organizations, was backed up on the highest level in Washington. President Eisenhower proclaimed it to be "Travel U.S.A. Year", and several government departments were involved, because they looked on this as an opportunity to strengthen international bonds in peace and prosperity among nations. Therefore, the Departments of Commerce, Justice, State and Treasury all worked to facilitate international travel, and to culminate it in that year, 1960. The aim of this committee is to reverse the travel trend; that is the slogan they are using. Ever since the end of World War II there was a tremendous trend to travel in many places especially nations of the world that were hungry for American currency. Now, the new approach is towards more travel in the United States, and the people who are promoting it are out to reverse the existing trend, and have appointed a committee which will meet in Washington on June 24 to advise the United States Department of Commerce how to bring more tourists to the United States. To give you some indication of the prestige of that committee, perhaps I should read the names to you: the President of NATO, the President of ASTA, the President of the Bank of America, the President of the Statler Hilton Hotels, the President of the United States Chamber of Commerce, the Publisher of the Los Angeles Times, Harlow Curtice, former president of General Motors, William Ford of Detroit and the famous Ford village, the President of United States Lines, the President of United States Association of Advertising Agencies, Mr. Gimbel, of Gimbel Brothers, the President of Sheraton Hotels Inc., the President of Atlantic Greyhound, the President of the Institute of National Education, the President of the National Motion Picture Association of America, the President of the American Retail Federation, the President of Curtis Publishing Company, the President of the American Automobile Association, the President of Atcheson, Topeka and Santa Fe Railroad, the President of the American Federation of Labour and the Congress of Industrial Workers, George Meany, the Master of the National Grange, Winthrop Rockefeller, the President of American Airlines and the President of Pan American Airways.

This is a committee that will meet in Washington on the 24th to plan for this "Come to U.S.A." year. We believe that this is going to make our situation even more difficult than it is, and will necessitate the implementation of the program that we outlined to you last week.

I do not know whether you wish me to go on, or keep quiet now and be available for questioning. Perhaps that would be more effective.

Senator CROLL: Will Mr. Fisher get to the crux of the problem and tell us something that he wants us to do.

Mr. FISHER: I shall be very happy to do that, Senator. We believe that the Canadian Tourist Association can be a very important tool in reshaping the tourist industry of Canada, in acting as a liaison between government and private enterprise, in our efforts to stimulate more private investment in the Canadian accommodation and facilities industry. We believe that through our association we can encourage governments to spend more money in the United States, and that we can encourage transportation companies and others to spend more money in a more enlightened program of invitation in the United States. We believe also that further consideration and study should be given to the question of low-cost credit facilities for the tourist industry. We believe that one of the reasons that we are slipping so badly percentagewise on the international travel market is that our plant is not as up to date as it should be.

Senator CROLL: These are nicely-rounded phrases, and you do this very well. You say that your plant is not up to date. What do you mean?

Mr. FISHER: I mean that we are not expanding in the field of accommodation as rapidly as some of our competitors.

Senator CROLL: Well, if there was money in it, I mean profit, would it not expand?

Mr. FISHER: The tourist industry operators themselves say it is very difficult for them to get loans at a low rate and over a long term. Many of them, since they cannot get the money otherwise, are forced to go to a sort of gray market in finance, and pay 8, 9, 10 and 11 per cent interest, plus a 10 per cent bonus, and with a very short re-payment term.

Senator CROLL: Well, I presume that would be true in cases where they were starting an enterprise, but that is not normally the case. Normally the man who goes into that business knows something about it.

Mr. FISHER: Yes, but their experience is that it is very difficult for them to borrow money and to make anything on their operations, because of the shortness of the season and the high cost of finance; there is not enough profit to plough back into development.

Senator CROLL: How do you propose that we should try to assist?

Mr. FISHER: I would think, either by an amendment of the Industrial Development Bank Act, or the establishment of a Tourist Loan Act, authorizing the chartered banks to lend money to the tourist industry, not for new business but for the expansion of the old, guaranteed by the Government of Canada, as you do for farmers and fishermen.

Senator CROLL: Well, I won't argue with you. Will you answer one question that bothers me? Why are not people coming to Canada in the same numbers as came years ago?

Mr. FISHER: Well I think that part of the answer is that the rest of the world is opening up, and that it is much easier to reach other parts of the world; where you can go now and pay later. A stenographer can go to an airlines' wicket to get a ticket to any place on earth, and she has the next two years to pay for it.

Senator CROLL: What can we possibly do to combat that?

Mr. FISHER: We can't combat it head on. But there is still an enormous business in the United States available to us which we are not getting in the percentage that we wish to get.

The CHAIRMAN: Don't you think our greatest lack here is that our Canadian people generally are not as conscious of the opportunity as they should be for encouraging tourists to come and stay with us?

Mr. FISHER: Probably not as sales-conscious as other people.

The CHAIRMAN: There is a fellow visiting me from my own town out West who has recently returned from Phoenix, Arizona. He was remarking on the great number of Canadians who go there. I asked him why this was so, and he pointed out that they go out of their way to assist visitors. He said, "I was looking for an aunt. I did not know her address there. I phoned Los Angeles, and apparently at the place where she had lived there was no telephone. I enquired if there was a telephone in a house nearby. It seems that they did not have a telephone. I said, 'I come from Canada, and I would like to know her whereabouts.' So the police were contacted, and they drove 60 miles, enquired on the spot, and got the information that my aunt had moved to Phoenix and also her address. This information they phoned to the hotel, and paid for the phone call. They also paid for everything else, including the drive of 60 miles to Phoenix to get the information." I wonder just how difficult it would be to get our police or any other Canadians to take that interest in a tourist, and whether services of that kind are not more likely to attract the tourist than advertising or any other thing.

Mr. FISHER: Of course, the word of mouth is the most effective advertising we can use; and I think it is going to be most difficult to train Canadians to the level of interest that you mention.

The CHAIRMAN: I think it would be a great task.

Mr. FISHER: At least we should be trying, and up to this moment, except for a few sporadic efforts on the part of the provincial governments and ourselves, there have been hardly any activities directed to educating Canadians in the importance of this industry.

Senator CONNOLLY (*Halifax North*): What in your opinion is the chief reason why the traffic has fallen off?

Mr. FISHER: You are referring to American tourists?

Senator CONNOLLY (*Halifax North*): They are the greater part of our tourists.

Mr. FISHER: I would say, as I said to Senator Croll, partly the appeal and the facilities available for visiting other countries; partly the fact that our advertising, in proportion to the total advertising market of the United States, is much smaller than it was.

Senator CONNOLLY (*Halifax North*): What about our repeat American Tourist business? What is wrong with it?

Mr. FISHER: I think there are many factors working against it: (a) the discount on the American dollar in relation to the Canadian dollar.

The CHAIRMAN: I think you have the gist of the answer to the question.

Mr. FISHER: The discount does not help the situation at all as far as Canadians are concerned. I think we have not been too smart in handling it. We may be very human in the way we handle it, for we remember the days when the Canadian dollar was worth only eighty cents. But this does not make for good business relations.

Senator CONNOLLY (*Halifax North*): I do not think our people can be fairly accused of being less courteous than the Americans who cater to the tourist industry. One cannot judge the whole field by an isolated case. About a week ago I stayed at a very fine American motel without breakfast conveniences or food conveniences of any kind. It was assumed immediately that my dollar was worth only its face value, with no premium, and that being taken for granted, I was asked to pay in advance. Now I have never met a Canadian tourist operator who insisted that I should pay him before I occupy a room lest I might get away in the morning before paying.

Senator CROLL: Oh, now, now!

Senator CONNOLLY (*Halifax North*): I am talking about my own experiences, and I have had a great many of them, in the Canadian tourist business over a long period of years, ever since 1923, when, as a fairly young man, I served on a tourist advisory council in the province of Nova Scotia. I have never been out of touch with the tourist industry since that time. So I would like to establish myself as an expert of sorts on this industry; and while I am prepared to listen to any reasonable approaches in regard to this matter, I do not think I can be deprived of my own personal experiences, because my memory is still acute despite my incarceration in the famous chamber of which you are members. That was my experience in the state of Maine. I have had other experiences with tourist operators in the United States, not quite so painful as that, but they led me to the firm conviction that our own tourist operators do not have to take off their hats to people in the business in the United States. I would not like to think, therefore, that there was any volume of opinion which believes that part of our tourist fall-off is due to a lack of courtesy on the part of our own operators.

I wanted to cite that incident because it is still fresh in my mind. I do not argue that my bank credit is extensive, but I have always been able to pay my bills and I have never appeared in any rogues' gallery.

Having said that I will be quiet for awhile.

Mr. FISHER: The answer to your question, Senator Connolly, is, I believe, that we have not been expanding fast enough. The dollar is also a deterrent. Then this is a very restless age, and the tourist wants more than scenery; he wants festivals, he wants something interesting to do which tends to slow him down and thus he spends more and stays longer. They have even discovered that at Niagara Falls the cataract in itself is not a sufficient attraction. Even in unusual surroundings they want a concert, a festival, or some other amusement. For instance, at Niagara Falls Tussaud's Waxworks is operating with a franchise from the famous Madame Tussaud's at Blackpool, England, almost in the shadow of the falls. There is a great field wide open in Canada for imagination in the development of facilities to hold the tourist a little longer; whether it is Calgary Stampede, the "Pioneer" celebration at Saskatoon, or other distinctive entertainments. We feel that through exhorting hinting and suggesting we can bring the smaller communities enlightened vision which is not always found there. We have discovered that many communities do not know what to do with what they have, or where their market is, or how to develop special attractions. In this age one must certainly place attractions on a very high level. I do not think that food or accommodation are perhaps as important as that human quality and the other advantages that flow out of it. In other words, when we go to a foreign country, it may be a beautiful country, but if we are not treated properly, that is the one thing we will remember longer than any thing else.

Senator CONNOLLY (*Halifax North*): Is it true that in the Atlantic provinces we do lack attractions?

Mr. FISHER: Yes; I think there could be a lot more done than is done now.

Senator INMAN: What sort of attractions would you suggest?

Mr. FISHER: Take your own provinces, Prince Edward Island, you cannot find more delightful sand beaches or dunes anywhere in North America. You cannot find better sea-water bathing than you have on the north shore. But if it rains, what can you do? And in this age quite often it is what the children think that determines whether a trip will be repeated. It is quite easy for a group of resort owners to put up some kind of building where children and others can be entertained with free films from the National Film Board, or provided with "coke" machines and fashion books and other modern magazines; they can arrange to have the local theatre available in the summertime for entertainments. Billy Butlin, a Canadian, went to England and has made a fortune because his camps cater to the whims of vacationers, particularly women and children. He tells them, "Leave your dishpan at home; come and stay with me. We will have a trained attendant to look after your children while you and your husband go out riding, lawn bowling and the rest." Tens of thousands flocked to his camps because he gave them a break from home, and from minding the children. The fellow who does business is the fellow who goes out after honeymoon couples and says, "come and stay at my place. We have romantic music in the bridle paths; we will give you champagne" and all these little gimmicks. North Americans are used to gimmicks; it is a gimmick age and they don't cost very much. Mr. Alan Field will tell you that when we gave a promotional award in our area Promotion series, it was won by the city of Saint John, N.-B. and one of the services which impressed us most was a municipal baby sitting service. I believe it induced hundreds of people to stay in that city overnight. So when I say, "attractions" they could mean anything. The end of promotion is not primarily numbers, but how long visitors stay and how much they spend. In European countries tourists stay longer and buy native products. One of our purposes is to try to persuade our stores to display more Canadian material, instead of articles made in Japan or—more often in New York. We find, for instance, that most of the Indian moccasins sold in this country as of genuine native craftsmanship are made in the State of Maine. A lady I am acquainted with in Ontario has a gift shop loaded with Japanese and West German merchandise. I said, "You have an Indian reserve fifteen miles from here. Why don't you go there and buy some Canadian stuff?" She answered, "It is too much trouble, it is easier to go to gift shops in Toronto and buy stuff and bring it up here." But if we can get one person in an area to start showing Indian or other local products, it is not too difficult to persuade some one else to do the same; but this takes organization, and our whole plea is that we have not a sufficiently strong national organization.

Senator INMAN: Don't you think price has something to do with it, too?

Mr. FISHER: Yes, but they sell some pretty expensive things from Sweden and Great Britain.

Senator CROLL: You say, an association consisting of membership in all the provinces?

Mr. FISHER: You mean the governments, or private membership?

Senator CROLL: As governments.

Mr. FISHER: Yes. The provincial governments are all members of our association, as is the Canadian Government Travel Bureau. We have about 550 members.

Senator CROLL: Is that a strong organization?

Mr. FISHER: Last week, when the committee met, Mr. McAvity stated that our total budget was only about \$60,000. Our staff consists of three women and another gentleman and me. We feel that there is so much to be done.

The CHAIRMAN: Would you like to encourage a board similar to the list you read off that they have in New York, to take an interest in Canada—heads of industry, banks and railroads and so on, to become members of your association?

Mr. FISHER: Yes, we would. But I was citing that as an illustration that the United States is not failing.

Senator SMITH (*Kamloops*): Coming back to the illustration Mr. Fisher gave us, I think that the tremendous programme which the United States' authorities have in mind demands attention, because there is no doubt that it is going to be carried out. First, let me say that they are going to appeal to the people of United States not only in connection with Canada, but to counteract the tremendous amount of travel that is going to Bermuda, France, Spain and everywhere else in the world. If they are successful in their efforts, they are going to attract the travelling public in portions of the United States adjacent to Canada. Is there any way whereby we can get under their umbrella and attract to Canada some of these people who intend to visit the northern parts of the United States?

Mr. FISHER: I think we have to be careful that we are not in the position of trying to get on their "grave train" and become a satellite. But I believe there is a real opportunity to take advantage of the presence of people from around the world who come to the United States, as well as Americans who are kept home that year, and the way we can bring our attractions to the attention of these people is to spend more money on advertising.

Senator ISNOR: I don't think you did justice in your answer to Senator Croll in regard to the development of motels. As I remember, about two years ago a brief was presented by the Motel Association,—is that the proper name?

Mr. FISHER: There is one, yes.

Senator ISNOR: Action was taken by them in asking the Government to set up a loan agency.

Mr. FISHER: We asked the Government, through the Minister of Finance, the Honourable Donald Fleming, if it would set up a tourist establishment loan act, working through the chartered banks, and that these loans be guaranteed by the Government of Canada and be made only to establish business for improvements, expansion or repairs. We did not at any time envisage that everybody in the business would be able to get a loan. It would have to be based on merit, and I presume that the banks would use the same scrutiny in advancing money that they use in their every-day business. I understand the losses in respect of buildings by farmers and fishermen is almost infinitesimal; it is so small.

The CHAIRMAN: The banks would be willing and they are anxious to make the money, particularly as they are able to make it under a protective mantle. It is a little more difficult than a farm loan. We have the farm and industry has the plant; but a tourist business is going to be a little difficult in that regard, because it is seasonal, you see. However, it is wonderful how these places have been developed. I don't know all the circumstances, but it is amazing in the province of Saskatchewan how motels and places have been built. Of course, in many of the provinces parks are the greatest attraction; that is true of Saskatchewan; but the trouble is that although

for awhile we received a great number of American tourists, latterly, I understand, their numbers have been falling off somewhat, and I thought it was due to the effect of the adverse money ratio. But they do like to come from the United States, where it is very warm, and it is always nice and cool in our parks. There are some of the nicest golf courses in the world, good fishing and all that sort of recreation. But as regards the entertainment of tourists at the park it is keeping pace, apparently, with the availability of private finance, as well as government assistance, of course, in the development and improvement of the grounds and so forth. What is your problem? What do you think you should secure the loan for? For motels? Is that your idea?

Mr. FISHER: It would be motels, restaurants, camps, hotels, resorts. It might mean that some man would like to put in inside plumbing.

Senator CROLL: Is there any other country in the world that does what you suggest we might do here?

Mr. FISHER: You mean, establish low-cost credits for the improvement of the industry? Yes, many of them.

Senator CROLL: Well, the United States.

Mr. FISHER: The United States does, under its Small Business Administration Act, I think it is called.

Senator CROLL: That is a recent innovation?

Mr. FISHER: That is, fairly, yes.

The CHAIRMAN: What about the countries of Europe?

Mr. FISHER: Yes, Switzerland does it; France; because all these countries are very tourist-conscious.

Senator CROLL: You see, the United States motel, in the main, is a year-round motel.

Mr. FISHER: It did not used to be, in the South.

Senator CROLL: It is now.

Mr. FISHER: It is now, but there was a day, Senator, when, in Miami, hotel men threw away your keys in the spring and waited for people to come back next fall.

Senator CROLL: That was ten years ago.

Mr. FISHER: Yes, but it took promotion to change that trend.

Senator CROLL: Yes, but we are not out of that stage in this country. You get up in the northern part of my province, or even of any of the other provinces, September comes, and you might as well throw the key away.

Mr. FISHER: That does not apply to the Laurentians.

Senator CROLL: You are quite right, but that is only a small portion. It may be that that should be the direction that we should take, for instance, in my own province, but it is difficult for us here to tell. I do not know, for instance, what are the problems in British Columbia, nor do I know what they are on the prairies. I don't even know them in the Maritimes. Can you imagine anybody refusing credit to an honest face like Senator Connolly's? I have often had to pay in advance. Now I don't know the answers to all the problems, but I know the problems in my own province, and as I see it, the season is so short that to ask the government to participate in it is going, to my mind, a little further than government normally goes, even though farming and fishing and some of these more basic industries get assistance.

Senator CONNOLLY (*Halifax North*): Aside from these pleasantries, it seems obvious that anyone who has equipment to cater to the tourist business is not going to increase it unless there is a reasonable expectancy of return

in cash dollars. Unless we can get tourists to come into the country in sufficient numbers we are not going to have the investments in buildings that are necessary to cater to tourists. At the present time—if I may take only a few moments—we have far too many people in the tourist industry in Nova Scotia with an all too-limited knowledge of how to cater; and one of the great deficiencies that exists in this country with respect to tourism is that there is no organization that I now of, including provincial governments, which can in a really effective way tell the people already in the business what they should do and how they should do it, in respect to handling their tourist trade. It is not done by provincial governments, except in a very limited way. It obviously cannot be done by the Canadian Tourist Association unless it has a budget which will allow it to branch out beyond its present operations, and then, more obviously, it cannot be done by the Canadian Government Travel Bureau.

Senator ISNOR: Why not?

Senator CONNOLLY (*Halifax North*): Why not? Unless these operations are amplified far beyond those to which they are now seemingly confined; because the intent of the Canadian Government Travel Bureau, as it has been lived up to, is to focus attention of people outside this country on this country with the intent of persuading them to come here. I can remember when the Canadian Travel Bureau was attacked by various provincial administrations because it did not run an ad. for this and that province. In this respect Ontario and Nova Scotia were in exactly the same category. If by chance some photograph received publicity in travel literature and happened to be a Nova Scotian scene, Ontario got on its hind legs and "raised the roof"; and vice versa. If what I am saying is correct, it gets back to what was discussed at our very first meeting,—the necessity of extra dollars, and who is going to supply them and how they are going to be used. We could talk for the next three years upon little appurtenances of the business and on little things which ought to be done and should be done, but the great basic need at the moment is additional money. Where is it to come from?

Senator CROLL: Wait a minute. I thought you were going to lead me up to somewhere else.

Senator CONNOLLY (*Halifax North*): Perhaps I would have, if you had not interjected. Go ahead.

Senator CROLL: I thought what you were going to suggest was this, and I was waiting for it. From what I have learned here, I gather that the job that needs to be done is on the Canadian side for awhile, and it would not be a bad idea if we could take a year off and start telling our people what they should do and how they should meet this situation. That is what you were saying, in effect. We seem to some extent to miss the boat when we get there. What are we doing to put our people in the picture and let them know how experienced people have met and dealt with these travellers?

Senator CONNOLLY (*Halifax North*): I think Mr. McAvity said the other day that there is a certain amount of disinterest in the people in this country. You can only get a certain number of dollars, and you are functioning with a budget of \$60,000.00, which is a paltry sum of money in this frenzied financial age. Does anyone tell big business in this country what is being done? Does anybody present statistics to big business to show, for example, that in every province of Canada so many visitors came in, they remained so long, they spent so many dollars, and they spent those dollars on such-and-such and so-on-so? Do those figures go into the offices of big business? Is anything done to intrigue and excite the curiosity of the men from whom we hope to get additional dollars to help out this voluntary organization? No. If there is, it is infinitesimal. They read little snippets in the newspapers, and larger

displays here and there, but there is no concentrated effort to fix their attention on the need of the personal interest of industry. These are things that can be done, but they are neglected, largely, mind you, by provincial administrations to whom the tourist business is of great consequence. It is difficult in Nova Scotia to sell my own people on the real value of the tourist industry, although they have known for years that they get more revenues from the gasoline tax than they spend on their entire tourist budget. We will never sell ideas to the people of Nova Scotia or the people of other provinces in Canada unless we can, in a nice fashion, supply them constantly with the figures I referred to a moment ago. It is an admitted fact that you cannot tell people in the main a fact, however simple, just once and expect them to assimilate it. You have got to be repetitive to the point of boredom before they get it. That is one facet that I think we can take now; and I suggest that the best agency to do it in a national sense would be the Canadian Tourist Association, if it were fortified with sufficient monies to do the job. I think it is lamentable, pitiful that this voluntary organization should have to operate on a measly budget of \$60,000.00. I do not know how they do as well as they do, and I do not say that in order to flatter any official or his associates. I say that \$60,000.00 is inadequate to help protect an industry in which 17½ millions of people should have a vital interest, and having the second or third largest revenue of any industry in Canada.

Mr. FISHER: As regards the intake of American dollars, second, and on foreign dollars third; newsprint and wheat exceed it. But at home it is called the third largest industry.

Senator CONNOLLY (*Halifax North*): So we always get back to fundamentals, such as the necessity of more dollars to properly protect this industry. That is how I see it, Mr. Chairman.

Mr. FISHER: Senator Connolly asked if we were trying to reach big business. We do, as well as we can. In the line of publicity we have many publications:—a folder, "Advertising, Publicity and Promotion", a French & English pamphlet encouraging Canadians to travel more within Canada. We have awards for outstanding service to the industry; and, thanks to the cooperation of Mr. George Metcalf, President of Loblaw's, we were able to send this handsome centennial booklet to our members. We get out Annual Proceedings and official reports. We work with the chambers of commerce; we provide the Junior Chambers of Commerce with pamphlets, with speech material on how to go about organizing areas for tourism. Several hundred go to Jaycee organizations throughout Canada, for local projects and for the information of policemen, waitresses, clerks and people who are in direct communication with tourists. Our aim is to stress the importance of "service with a smile", and knowing a lot more about the local community. In short, we are trying to do the things which will set this country on its way in the matter of tourism. I doubt if we will ever get up to the level of Switzerland or Hawaii because we are not that kind of people. I heard from a Canadian in Edmonton who went to Hawaii last winter, and was walking on the street in the morning, obviously lost. A little boy came along on a bicycle about ten minutes to nine and asked, "May I help you? You are a stranger in town?" The man answered, "Yes, I want to get to such-and-such a place." The boy: "I will be glad to take you down there, it is quite a piece from here." The Canadian asked, "Are you not on your way to school?" The boy said "Yes". My friend said, "Well, you will be late." The boy answered, "That is all right, in Hawaii; all we have to do is to tell the teacher, 'I was late, because I was helping a tourist'." I can imagine what might happen at times. There are many possible variations on the theme.

The CHAIRMAN: I can imagine that, with the great traffic along the Alaska highway, much assistance will be needed for the tourist accommodation along the way. Do you know anything about what is being done in the way of information?

Senator SMITH (*Kamloops*): Oh, it is good, bad and indifferent. But there is one thing that has been a big help in bringing people back and spreading the message of the north country from people who have been there, and that is a guide book—I do not know who is responsible for getting it out—which costs, I think, a dollar, and gives you every detail in connection with travel and accommodation along the Alaska highway.

Mr. FISHER: I think it is a Canadian Government Travel Bureau publication.

Mr. COTE: We have one publication, but if it is something that sells for a dollar it is likely private publication.

Mr. FIELD: I think the senator may be referring to one that the development bureau puts out on the Alaska highway. It is likely a publication called "The Mile Post", which sells for a dollar.

Senator SMITH (*Kamloops*): Yes. That, to my mind, is a worthwhile medium. A dozen or a score have been started by advertisers in this tourist business, and they might just as well throw their money in the lake. The tourist industry are watching any no-good schemes that ambitious promoters seek to sell them and which would amount to many, many times the niggardly \$60,000.00 that our tourist association is trying to work on. It is a typical thing. I don't know what can be done about it, but what hurts is that it is costing the industry money, many times the \$60,000.00 that is being put to good use by this concern. A big percentage of what is spent on advertising, guide books and such things is a dead loss, and it would be good if some way could be found to give guidance in expenditures by people in the industry, so that a little of the money could be salvaged and put to good use. I don't know whether you have attempted anything like that, Mr. Fisher. Is there any service from your association by way of approval or a clearing house for propositions that are sold, or do you just assume that people in the industry are twenty-one and if they are stupid enough to spend their money on something which is no good, it is just too bad for them. Mr. Fisher, I realize that to do what we want to do would require a large staff, but once we reach a certain point the expenditure would be self-liquidating; it would produce enough revenue. It is the old story of which comes first, the chicken or the egg. My impression is that we can't get much further unless we can get more money. But it is pretty hard to have to go to the head of a big pulp and paper industry who has no interest in tourism and tell him that your project is good for Canada, unless we can come up with something a bit more comprehensive. If the Government of Canada were interested we could certainly outline a programme on which the money could be spent—in the establishment of personnel, of training, of contacting men and women, to go around the country trying to inspire, enthuse and show how it can be done. I agree with Senator Croll that it is really uneconomic to spend a cent in the United States unless you back it up by making sure that our product here is functioning properly.

The CHAIRMAN: I think it is the opinion of the committee that this budget, now \$60,000.00, should be enlarged. Perhaps the Deputy Minister could tell us how we would go about increasing the amount.

Senator CROLL: It occurs to me—I have not discussed it with anyone—that perhaps Mr. Field is having considerable trouble getting enough money or his own department. I don't know; I have not talked to him. I assume the Minister is cutting Mr. Field down. He may want to do a great number of things

himself. We are in a rather peculiar position; we have got to be a little careful what we do here, because we have been left with the suggestion that anything we do should not reflect on our own tourist bureau. It should be something that some specialist organization would do that our own people can't do. That is the important thing. Are you agreeing on that before we go into any conclusions? The whole thing should be talked over with both deputies and the minister, and there should be a round table discussion so that we know exactly where we are going, and not go too far off base. This is not to push him aside; but we have got to be realistic, and I am just suggesting that we do not jump too quickly until we have had all the facts.

Senator CONNOLLY (*Halifax North*): I think it is the intention of this committee to meet, after we have heard all the witnesses, and formulate a report which will include our recommendations. Is not that the intention?

The CHAIRMAN: I understand that Mr. Fisher's organization receives a grant of \$5,000, of the \$60,000, and the other \$55,000 is raised through membership; so, of course, the committee has no objection to their raising any amount in addition to this \$5,000. It seems rather a small amount.

Senator ISNOR: Just a minute, Mr. Chairman, before you dismiss Mr. Fisher. I have been sitting here wondering what is the most important factor contributing to our deficit. We have a nation of 170,000,000 people just to the south of us, as compared to our 17 million here in Canada. From the business point of view no one would like to be confronted with that comparison and have to determine how to go after that 170 million to try to work out what is the best attraction to bring them to him as customers. I do not think that as yet Mr. Fisher has given me a satisfactory answer as to what he considers the solution. He has mentioned better and more accommodation, but I do not think that that is the whole answer.

Mr. FISHER: No, I don't think so. I said, more attractions, and then there is the suggestion of an educational campaign to arouse or awaken Canadians as to the potential of this business.

Senator ISNOR: I am giving you an opportunity to develop that, because you have not mentioned it.

Mr. FISHER: We do not want to take anything from the Canadian Government Travel Bureau. We are here to advocate that you greatly enlarge their budget. When we say "greatly" we really mean greatly enlarged. If we are going to get this money from tourists we have to go after it. I would say that we need more accommodation, more attractions, more courtesy, a greater recognition on the part of Canadian big business. The more you drive it home, the more you are going to get the rich Canadian willing to invest his money in our own estate here. Take the matter of roadside restaurants: it is rumoured that the Howard Johnson people from the United States are going to open up a chain of restaurants in this country. I am thinking that that would be a great shame; it would merely be an extension of the United States border, and we are having enough difficulty trying to be different from the United States. Why can't we get some of our own wealthy people interested in roadside restaurants, in places up north that need it, and the southern parts of Canada where there is a market throughout the year. No one has as yet gone to the wealthy Canadians who are investing their money in Nassau and Bermuda, to put this question. There is a combination to the answer on what should be done:—attractions, training schools for chefs, waitresses, cooks, more roadside facilities, more attention in our national parks to boating facilities. There are hundreds of things we must be doing if we are to make Canada attractive enough to Americans that they will want to return to it.

Senator ISNOR: Thank you.

Senator INMAN: Have there been any border difficulties?

Mr. FISHER: Yes, a great many of them. That is another thing which should really be straightened out. You see, whenever an American comes to the Canadian border the Canadian official says, "How long are you going to stay?" The tourist says, "I don't know, I am just looking around". Then the Canadian says, "Well, give me your automobile registration card". We may turn that fellow into an enemy. He may come to Windsor and might eventually get to Niagara Falls, but without a registration card in his possession he turns back and goes home.

Senator INMAN: I never hear complaints about the crossing.

Mr. FISHER: If he says, in answer to the Customs' man, "I am not going to be more than 48 hours", we give him an E 50 permit which he must carry and relinquish at the port of exit. This is a definite deterrent to the potential visitor. There are certain states—a couple of them—in which a car driver is not required to carry proof of ownership, but without it he cannot get into Canada at all. You cannot say, "I am driving my friend's car and I want to come over on business for an hour or so". If you cannot give proof of ownership, you cannot get into the country.

Senator CROLL: That is a normal operation. What is to stop a man who steals a car from saying, "That is my friend's car?" I think the government must take that precaution. There are other things which are tantalizing. I was waiting for you to say something about the premium on money. There was nothing that I resented more than the fact that I had to pay premium on my money, and many an American says the same thing. They say, "I realize that the difference is up to three to five per cent, but I have always thought that people in Canada could easily absorb that, instead of taking five cents off a fellow's dollar". Surely a fifty-cent rise in the price of hotel room would more than make up for losses in other ways, and the visitor would hardly notice it. Americans are particularly sensitive on this matter of currency. They have a feeling of superiority, and they hate to see their money at a discount, particularly in Canada, and more particularly because it does not happen to them any place in Europe.

The CHAIRMAN: There is the premium in reversal, where you take Canadian money to the United States and have to pay an additional premium on their money.

Senator CROLL: That happens sometimes, Mr. Chairman, that they will hit you for premiums on Canadian money, but if you take the precaution you can always get American money ahead of time.

Mr. FISHER: We are very conscious of the deterrent effects of the premium on the Canadian dollar, and we have done our best all across the board to encourage Canadians to recognize the psychological facts; namely, that the Americans are brought up from the cradle to regard their dollar as the most powerful thing on earth. It is a great shock to them when they don't find anything of this sort. The Canadian Government has issued hundreds of thousands of very attractive cards which are made available to cashiers in restaurants and places where cash is handled, and the "friendly advice" is available and useful. Attempts have also been made to encourage the chartered banks to set up near places like Windsor, exchanges where tourists may change their money and will not be at the mercy of a gas attendant or a grocery man. We have also urged Canadians to try not to use the word

"discount" at restaurants, and such places, because it is a language to be avoided. We have tried to encourage proprietors to remove it from their checks, or to hide it somehow, and advise them, instead of speaking of a five per cent discount, to say exchange rate or "I am sorry, but you do realize that there is a premium on the Canadian dollar," and give some explanation, or in certain cases they might say, "It is really American faith in our resources and the amount of risk capital coming in here that keeps the Canadian dollar high." I don't know that there is any complete answer; we are dealing with human beings.

Senator CROLL: You have an answer, but the travellers are the people to whom you have got to get it.

Mr. FISHER: How would you recommend that we get this message to the people?

Mr. CHAIRMAN: Every American is a booster for the United States. We often say that Canadians lack a national consciousness, a disposition to boast of their country. As soon as you get across the border they will tell you about the "greatest" thing in the world, the "best" thing in the world. I am reminded of an incident from Scotland that a fellow was telling me. A visitor, looking over the ocean, said, "This is quite a storm; you have got an awful wind". The Scotsman said "You see that big stone house over there; the wind will even move that house. It comes right from America, and you know how they can blow over there." A woman who went to Los Angeles said that someone was trying to convince her that before you could become a citizen you had to go to school where they taught you about the great things in the United States. She said she was all fed up with the wonderful stories about this, that and the other, so presently she got a gripe and told that she had listened to the stories long enough and was tired of it all. So she told this tale of the Scotsman, and that ended the trouble. Now, who would the committee like to hear from?

Senator CROLL: Mr. Chairman, you called the meeting for Tuesday, and Tuesday is a bad day. I think it would be well if you picked next week another day. I don't think it makes much difference to me, but if you select either a Wednesday or a Thursday we would have a larger group here to give the departmental officials and anybody else who is to be heard a hearing. I have to go now to attend the Indian Affairs committee; there is something special there. It would be unfair to go on. Why do we not adjourn until Wednesday or Thursday? Then we shall be a larger group.

Senator ISNOR: I agree with Senator Croll... except as to the days he mentioned...

The CHAIRMAN: If it is the wish to the committee, we will adjourn now. And I thank Mr. Fisher on behalf of the committee for his very fine address and compliment him on the good work his organization is doing, with very limited resources to do it.

Mr. FISHER: I can return at almost any time, and I would be happy to do so.

Senator CROLL: I think that, in the light of everything which has happened, Mr. Fisher should be asked to come back, if he can, and we will see where he can fit in.

On motion of Senator Croll, the committee adjourned, to meet again at the call of the Chair.

OTTAWA, Tuesday, June 23, 1959.

The Standing Committee on Tourist Traffic, which was authorized to inquire into the tourist business, met this day at 10.30 a.m.

Hon. Mr. HORNER in the Chair.

The CHAIRMAN: Had you finished Mr. Côté?

Mr. E. A. CÔTÉ (*Assistant Deputy Minister of Northern Affairs and National Resources*): I had finished. But I am available for any questions, as is Mr. Field, or any member of the Canadian Travel Bureau.

The CHAIRMAN: Perhaps we should hear from Mr. Field.

Mr. Alan FIELD (*Director, Canadian Government Travel Bureau*): I do not have a prepared statement, Mr. Chairman. I would just like to say, speaking generally, about the work of the tourist bureau, that we have had, as a result of our promotion efforts, which are directed mainly to the United States, a very considerable increase in the volume of inquiries. In the past three years these inquiries have gone up by more than 45 per cent.

We are presently handling about 750,000 inquiries a year. This is the largest number of inquiries handled by any national travel office of the world, so far as we know. It is an indication of the extent of interest in the United States in travel to Canada. It is just about the only advance indication that we have as to what the travel season is likely to be. Inquiries begin to come in in large volume following the appearance of our advertising in American newspapers and magazines. Our general program is to begin advertising in the month of January. It steps up in succeeding months, reaching a peak in the months of April and May, and winds up about the middle of July. The difficulty over the years has been that our appropriation for advertising, which takes the largest share of our budget, has not increased really commensurately with the increase in advertising costs. It is difficult for us to anticipate right down to the last percentage point what the increase will be in any year ahead. We have to plan our budget in the fall of the year, and we have to anticipate whatever increases are likely to take place in the cost of advertising space in the following year. It is often very difficult to do, because we only get an indication from the various publications that there will be an increase. Two years ago the average increase in magazine space rates was about 13 per cent. Last year the average increase was about 8 per cent. In addition to that, the costs of producing advertising, making the plates preparing the lay-outs, and so forth have increased in the last few years about 10 per cent per year.

I am making these general remarks about the advertising appropriation to give you some idea of what we are up against. We have not been able really to increase our coverage of the American market through advertising because our appropriation has not kept strict pace with the increase in costs. I think, however, in justice to the Bureau, we have made good use of the advertising appropriation that we have been given. We carry on continual research studies of travel markets through our own facilities and resources. We have the resources of our advertising agencies, which are very considerable. We have the resources of the various publications. Larger publishing houses in the United States spend a great deal of money on market analyses and marketing services. In addition, there are international organizations for travel research which make material available to us.

I am just mentioning these things to you because I would like you to know that we are not operating on a hit-or-miss basis. We do not place our advertising as a result of gazing through any crystal ball. We carry out our advertising program by tried and proven business methods which are common to all large advertising concerns.

Whether the advertising be for travel promotion, or the manufacture of Consumer products, or a sales office, each has its own research facilities which enable it to make the best use of its advertising money. We in the Bureau have taken as much care as possible to get the best value for our dollar. We do know that there are markets which we have not fully covered. As you may be aware from remarks that have been made in this committee and elsewhere, we have been asked to extend our tourist promotion activities, not only in the States but in other potential markets, like Europe and the United Kingdom, and Latin America.

There has also been some demand that the Bureau turn more actively into promotion inside Canada. The aim here would be to build up inter-provincial travel traffic in order to reduce the amount of spending by Canadians in the United States.

This is just about all I have to say by way of a preliminary statement, honourable senators. I would point out one fact, Mr. Chairman, which is often overlooked in analyzing travel traffic between Canada and other countries.

It is true that the Dominion Bureau of Statistics estimates that on the international travel account Canada has had a deficit for some four or five years, and last year that deficit was estimated at \$192,000,000.00. However, in analyzing the statistics, it should be taken into consideration that a great deal of the monies expended by Canadians travelling in the United States are not for strictly travel purposes. A great deal of this money is spent on the purchase of consumer goods. Most people who are interested in the matter of traffic into the United States across the international boundary will agree that many of the Canadian families who go down there are actually, on a buying expedition.

On the other hand, Americans and visitors from other countries who come to Canada are not so apt to buy consumer goods in this country. It is true that they do buy certain types of goods—handicraft, silver, china. We, in the Bureau and other agencies, like the Canadian Tourist Association, and the provincial governments' travel promotion departments,—all of us endeavour to increase the amount of spending in this particular field.

But we cannot, I believe, make a fair comparison of the travel traffic unless we take into consideration that large amounts of money spent by Canadians in the United States is spent on consumer goods.

Senator BEAUBIEN: As regards the expenditures of money by the Bureau for advertising and so forth, do the provinces also do any advertising?

Mr. FIELD: Yes, they do.

Senator BEAUBIEN: For what purpose?

Mr. FIELD: Every province is spending money on tourist promotion. I have some figures here if needed.

Senator BEAUBIEN: Have you any idea how much is spent by the provinces?

Mr. FIELD: Yes. The total advertising budget of the Bureau is about a million and a half dollars. The provinces together are spending about \$1,069,000 on advertising. The provinces allocate their advertising on the basis, if I recall the figures given at the last federal-provincial tourist conference—to the extent of about 30 per cent expenditures here in Canada, and 70 per cent in the United States.

Senator Harold CONNOLLY (*Halifax North*): How is your budget broken down as between national and semi-national magazines and newspapers, across the border?

Mr. FIELD: We are spending at the present time about \$310,000.00 on newspaper advertising in the United States, about \$850,000.00 on national magazine advertising; and we have a special Atlantic Provinces campaign of \$300,000.00. All of this money, I should emphasize, is spent on United States' publications.

Senator Harold CONNOLLY (*Halifax North*): I do not deny the value of the national magazines, but I have often wondered, over the years—taking the mid-western states, for example—whether a dollar is as well spent in a national magazine to provide publicity for that part of the country if advertising were done in the daily newspaper of that section of the United States.

Mr. FIELD: We have given a great deal of attention to this subject, Senator. We have found, generally speaking, that magazine advertising has a longer life than newspaper advertising. Readership opportunities in magazine advertising last longer than in newspapers. This is understandable when you consider that advertising in monthly and weekly magazines. Some of these magazines actually have a readership life of several years. I am not going to mention particular magazines, but you can think of magazines that actually are kept around the house for two or three months, and in some instances families will stock-pile them and re-read them.

Senator Harold CONNOLLY (*Halifax North*): I think that is true, but I have wondered whether, if I were living in a moderate-sized city in Minnesota, and I read advertisements in the Saturday Evening Post with respect to Canada, whether it would not seem quite remote, and less associated with my surroundings in Minnesota than if I had picked up my own daily newspaper and saw there an advertisement which seemed to have a direct personal application to me, as a citizen of that city. I have never been too sure just where the balance of advantage lies.

Mr. FIELD: As far as the newspapers are concerned, we are regionalizing Canada's appeal. It has been an increasing programme over the last three years. We do not attempt, say, in Peoria, Illinois, to advertise the most remote parts of Canada. We can mention other places in Canada, but the immediate appeal visually and in the text of the advertisement should be to nearby places—Ontario, Quebec, Manitoba. Regional presentation, as the senator notes, has the greatest effect. I would also point out that the amount which we are spending on newspaper advertising come close to the representation we are getting in magazines. Magazine advertising is much more expensive than newspaper space. I should also mention that national magazines in the last four or five years have gone more and more into production of regional issues. We can now buy in a number of the leading magazines—a mid-West edition, an Atlantic states edition, a West Coast edition; and wherever possible we are doing this. Some national magazines—and I will be having some interviews in the next few weeks with at least two of them—are actually proposing to turn out regional issues only. They will be coming up to talk to us, as a large advertiser, about the prospects of our taking space in regional issues. As Senator Connolly knows, we must make every effort not to waste our advertising appropriation. If we can buy regional issues in the high population centres of the United States, or if we can buy selected markets in the United States where there is a high potential of traffic to Canada, I think we are making better use of our money.

Senator Harold CONNOLLY (*Halifax North*): I suppose, with your limited budget, you could not put on an intensive newspaper campaign anywhere, so you are more or less obliged, in order to get the best possible return for your dollar, to use the mass circulation media, are you not?

Mr. FIELD: That is right.

The CHAIRMAN: Do any of the provinces maintain any representatives in the United States?

Mr. FIELD: Two provinces have representation in New York city. Nova Scotia has an office. The province of Quebec has maintained an office since 1940, in New York to promote travel.

Mr. JOHN FISHER (*Executive Director, Canadian Tourist Association*): And there is a joint one in San Francisco.

Mr. FIELD: And then, Alberta and British Columbia have a joint operation in San Francisco.

Senator SYDNEY J. SMITH (*Kamloops*): Can you tell us anything about the relative costs and results from advertising generally in magazines and newspapers versus information offices such as there are in New York? I am thinking of the tremendous increase there has been in information offices opened by individual states and groups of states in recent years, in comparison with what Canada, through federal and provincial effort, has been doing. In the Queen Elizabeth hotel the most prominent information office there is one maintained by the State of Maine. It would indicate that the trend is toward a greater activity in that field than in the written word. What can you tell us about that? Are we falling down badly in not following in the footsteps of these states and copying the States in establishing personal contact information bureaux?

Mr. FIELD: I must say, senator, that I think we have fallen a little bit behind in the development of ground-floor bureaux or what might be termed, sales offices, in the United States. Other countries have over the last ten years developed quite extensive local operations. I believe Mexico has eight ground-floor travel offices in the United States and in addition has an advantage, I think, in some 58 consulates where travel literature and travel information on Mexico are distributed. We have found that the great advantage of the travel office is to follow up our advertising message. As the President of the Canadian Tourist Association has said, our ground efforts backs up our advertising. We feel that a ground floor office gives 12-month representation in that travel market supporting the advertising message which is much shorter in duration. The local office also helps to get a great deal of additional free publicity through newspaper, radio and telephone contacts, which you would not get otherwise. It does bring off-the-street inquiries and enquiries from people who prefer to telephone a local office where they can get good travel counselling service on their proposed trip to Canada. I hope this answers your question.

Senator SMITH (*Kamloops*): Yes. What you are telling us is that it must be considered as the two in combination. They cannot be looked on as separate channels in a publicity campaign. They have both got a place and they are inter-related.

Mr. FIELD: That is right, sir.

Senator SMITH (*Kamloops*): While I am on that same field, I was interested in your remarks about their difference in the tourist trade figures. We must recognize and, I think, accept the suggestion that it is not all the travel or holiday expenditure that is reflected in those statistics. I think there is the matter of figures of importance as indicating that the trend of this deficit is increasing. We have all been using the travel deficit figure of \$75,000,000.00 applying to 1957. I was shocked to read figures in a Canadian Press despatch from Washington yesterday, which I clipped from yesterday's "Citizen", which says that "Canadian visitors spent \$425,000,000.00 in the United States in 1958, \$100,000,000.00 more than United States travellers spent in Canada", which indicates an increase of one-third on what the figures were the year before. So that we can disregard what portion of that is really holiday expense money and how much is spent on the purchase of goods and so on. This indicates that there is a dangerous increase in that deficit. This despatch goes on to say: "We spent \$100,000,000.00 in the United States more than the United States

travellers spent in Canada. The United States Commerce Department reports that Canadians accounted for more than half of the \$825,000,000.00 spent here by foreigners last year. The total figures represent a five per cent increase over 1957." I am thinking that there are many, many angles that we are interested in; and I am quite in sympathy with the suggestion that has come from various sources that Canada is not spending enough money. At the same time we are in the embarrassing position of being asked for the expenditure of less money, in the light of the general financial situation here; and I am wondering if in desperation we might be faced with consideration on the part of Canada of restricting expenditure of Canadians in the United States,—if that is considered an answer to reducing this travel deficit, and if it would be an invitation to retaliation over there. I think that these recent figures throw light on a situation which just demands more attention and careful study and thought than we have been giving it. Would you like to comment on these new figures?

Mr. FIELD: Yes, senator. I think that the growth of the travel by Canadians to other countries does require careful study and thought. You may recall that back in 1948 there was a dollar emergency. The Canadian supply of United States funds fell to a dangerous low, and there was a restriction of travel by Canadians into the United States. Your apprehension was actually proven true at that time. There was a very bad reaction in the United States to the action of the federal Government in restricting the amount of money that Canadians could spend abroad. It was shown in the New England states and, I think, in the West. The attitude of the tourist organizations in the United States was that this was a hostile act, an unfriendly one, in view of the fact that the United States had not placed any restrictions on travel to Canada.

Further, we in Canada have always taken for granted our happy position of having no restrictions on international travel, or fewer than probably any other country in the world. In the United States there is tax which is a discriminatory tax against Canada and Mexico. It is the ten per cent transportation tax which is levied against no other countries except Canada and Mexico. This tax has somewhat been alleviated or lightened in the last actions taken about three years ago, when the American tourist was not charged the 10% tax if his journey was some two hundred miles past the international boundary. This is one restriction that the United States places upon travel to Canada and to Mexico which has been of some concern to us. The National Association of Tourist Organizations in the United States calls this the "See America Last" tax.

There is also another factor which must be borne in mind when we are considering Latin American traffic. Under regulations which were put into effect at the time the McCarron Act was passed in the United States there is a restriction which hampers travel from Latin America to Canada, and it is a serious one. The United States has increasingly tended to issue what are termed "single-entry visas" to Latin Americans coming into the United States. This means that these people cannot come to Canada because they cannot re-enter the United States. Now, we have been able by various means to get around the regulations whenever there is a fairly large group of Latin Americans interested in coming to Canada. But there is no doubt that it is a restrictive and a hampering handicap on travel from Latin America to Canada. I mention these two things because, as I say, they are restrictions imposed by the United States on travel to Canada which are affecting our industry.

The CHAIRMAN: On the other hand, what is the position of Latin Americans coming to Canada and wishing to go to the United States as well? How do we treat them?

Mr. FIELD: Well, this is governed largely by where the carriers operate. Naturally the great majority of carriers into the Latin American area go from Latin America into the United States; they do not come first to Canada. If these travellers only have single-entry permits, they cannot then come on to Canada, except in special circumstances.

The CHAIRMAN: That really works to the great disadvantage of Canada.

Senator SMITH (*Kamloops*): That is, a Latin American cannot contemplate a trip, leave home, enter the United States, travel through the United States, into Canada, and go back home through the United States?

Mr. FIELD: The regulation prohibits that if he has a single-entry visa. It was started when the United States began giving single-entry visas to a few Latin American countries, and then enlarged it until now practically all the Latin American countries are included.

Senator ISNOR: What would that mean on a percentage basis? Would you have many from Latin America? In other words, what is it worth to us?

Mr. FIELD: In an overall figure it might not be very much at the present time, but it is very hard to say, senator. We would have to make a very close study of travel from Latin America to Canada. I believe there is a good potential. Everything we find in our research shows that there is a good deal of interest in Latin Americans coming to Canada; but we have to make the way a little easier for them.

Senator ISNOR: I have never been able to get a clear picture of the efforts of the Canadian Tourist Bureau with respect to the type of tourist which we are seeking. In other words, in merchandising or retailing, each type of store has in mind a certain type of customer. The large department stores cater for the masses, we will say. The medium-type store will build up a reputation for quality and go after a certain middle-class trade. While the exclusive store will perhaps go after the person with money. In California there are those big spenders, the theatrical world. I had in mind, when you mentioned about the Queen Elizabeth hotel, that they are going after a particular type of tourist, or they would not have that tourist bureau set up in the Queen Elizabeth, because there is only a certain class of person visiting the Queen Elizabeth. What kind of tourist are you going after? The mass in regard to numbers who come to Canada to spend money? Are you working for the return of those Canadians who have gone to the United States and will come to various parts of Canada to re-visit their homeland? Or are you going after a select group of tourists who spend in the thousands of dollars on each trip? Would you give us the picture?

Mr. FIELD: Well, it is hard to give you a categorical answer, senator. I would say this, we are endeavouring to make an appeal to all sections of the travelling public in the United States. We do this by the selection of magazine and newspaper media. More and more, magazines tend to present themselves to the potential advertiser as representing a certain kind of market. A certain magazine will say, "Our market is young married couples between the ages of 21 and 35, and we can give you a profile of their income, their travel habits, their consumer buying habits, and so forth." That particular magazine would get, providing we were sure they had a good sound circulation and they could deliver to that market, a small portion of our advertising appropriation. The majority of the magazines and the newspapers that we are using are large circulation publications in high population centres. If we buy space in a magazine like the Saturday Evening Post, we know the profile of the average family reading that magazine. We can tell, from the inquiries we get and our follow-up service, what percentage of these readers actually came to Canada, —at least we get a good estimate. As you will see from looking over the

advertising folios which I presented to the committee, we are also endeavouring to reach, through the prestige publications, the family or the traveller with more money to spend. We are at the same time continuing to cover the family market, the average-income market, through the mass-circulation magazines and newspapers. We are covering the outdoor magazines to interest the fisherman and the sportsman. An interesting development has been, over the last few years, that the sport fishing market has expanded now to include the whole family. The fisherman apparently is being importuned by the family to take mother and the children along on the fishing trip, you will see in our advertising that we are endeavouring to appeal to that family market. I am afraid that this is a little discursive, senator, but I could not give you a categorical answer.

Senator ISNOR: I think you are working in three or four or five channels which you have outlined, without being able to satisfy yourself as to which is the most profitable.

Mr. FIELD: I would say this about the higher income traveller coming into Canada, that he does not have the luxury facilities offered to him on the same scale as in other places. We have a number of very fine resort hotels, and of course we have some very fine city hotels, metropolitan hotels. Speaking of summer resorts alone we are short in this type of accommodation and it is here that we are losing out on the travel market. We do not have luxury resorts such as Florida and California, the desert States and the Caribbean countries are offering.

Senator BEAUBIEN: You are talking of the better-off people?

Mr. FIELD: That is right.

Senator ISNOR: The basis of your decisions with regard to media of your advertising is circulation, I suppose?

Mr. FIELD: Circulation, and other considerations. A magazine may have a smaller circulation, but may be a prestige publication, and we would take that into consideration in making our decision.

Senator ISNOR: I am asking that, because you are spending roughly about two and a half times as much on magazine advertising as you are on newspaper advertising.

Mr. FIELD: Yes. Remember, however, that the lineage rates in newspapers are less than they are in magazines.

Senator ISNOR: Well, it is as broad as it is long. It is two and a half times.

Mr. FIELD: That is right.

Senator ISNOR: If I may get into this one other field, which has given me a little concern; it is in regard to the statistics collected by the Dominion Bureau of Statistics and the \$192,000,000.00 deficit referred to. For the life of me I can't figure out how you arrive at that, and whether it is a worthwhile figure in dealing with this question or not. Would you give us a little background?

Mr. FIELD: Well, I must tell the committee, Mr. Chairman, that all the elements of the tourist industry certainly do not agree with estimates provided by the Dominion Bureau of Statistics. We have had some discussion here and in another place about this matter. Efforts have been made to interest the Dominion Bureau of Statistics in using other measures in making their estimates of the extent and value of travel traffic. Thus far they have not seen fit to do so. I myself have taken the position that figures provided by the Dominion Bureau of Statistics, which I have here, going back to 1938, are merely estimates, to indicate whether the value of the tourist traffic has gone up or down in any given year. I think this is the way these DBS figures should be used. If we are going to get more careful estimates, more careful surveys,

a great deal larger staff will be required and possibly the establishment of some organization in Canada outside the Dominion Bureau of Statistics to aid and augment their efforts. But I certainly agree, sir, I must say, that the industry does not appear happy about the Dominion Bureau of Statistics' travel estimates.

Senator BEAUBIEN: How does the Bureau arrive at these figures? Or do you know?

Mr. FIELD: I believe, it is done mainly by questionnaires. These are given out at the border to people coming in or going out of Canada. Travellers are asked to fill out the forms and return them, and on this basis the Dominion Bureau of Statistics makes its estimates.

Senator ISNOR: I remember, back in 1938, the year you mentioned, you took the State of Maine, they evidently made the survey and a certain figure was given, an average figure, as having been spent on the American side, and you took that as a basis to compute your returns in so far as the tourist industry was concerned in Canada. Am I right about that?

Mr. FIELD: In 1938?

Senator ISNOR: Well, about that time, yes.

Mr. FIELD: I could not answer the question, senator. I was not with the Bureau at the time. Mr. Dolan was then the director. I could find the answer and give it to you.

Senator ISNOR: I was just thinking of the basis on which you work. Perhaps the Canadian Tourist Association could answer, or Mr. Fisher might throw some light on that.

Mr. FISHER: We share the same view, that the statistics gathered are pretty much a hit-and-miss affair, largely influenced by the home reactions. We have discovered, at the border, the returning American being asked, "How much money did you spend in Canada?" He is only a few feet from his own American border, and he is scared to death, if he divulges too much information, it will be passed on, so generally speaking, he says, "Oh, I spent \$50.00." He may add, if he is asked how many days he has been away, "Probably it was \$75.00." And they admit that there is no efficient method of checking.

Senator ISNOR: Hit-and-miss?

Mr. FISHER: Hit-and-miss, purely.

Senator CONNOLLY (*Halifax North*): May I ask Mr. Field how many films, if any, did the National Film Board make for the Travel Bureau during last year?

Mr. FIELD: Just one. Our travel film libraries in the United States, which are now located in 485 centres, are maintained by the Bureau. We buy prints of films made by the provinces, and place them in the libraries. Actually, the cost of making the prints available in the United States is often more than the cost of the film production itself. When you buy two or three hundred prints of a colour film it runs into a lot of money.

Senator CONNOLLY (*Halifax North*): If you had more folio of film, could you not distribute to the service clubs and organizations of that kind all through the United States, and thus get a representation you could not get—that is personal representation—otherwise, and much more cheaply?

Mr. FIELD: Yes, we are already doing that.

Senator CONNOLLY (*Halifax North*): And to what extent?

Mr. FIELD: I have a report here of film distribution in the United States. As I said before, we have some 485 libraries. We have two methods of distributing our films in the States; The Bureau, through the National Film

Board, maintains a library of films which are offered exclusively to television stations. We have some 70 titles in the television library. Last year we had 1,588 television broadcasts in black and white and 277 in colour. The films went over 126 stations in 102 cities and in some 38 states. Our travel film libraries system in the United States reported last year 5,480 prints in circulation. There were 70,940 individual screenings of these films. The attendance was 4,126,000, estimated.

The Bureau, as I began to explain a few minutes ago, buys prints from provinces and places these prints in the libraries of the United States. The films are loaned free to service clubs, educational groups, home and school clubs, and so forth. The only requirement asked of the borrower is that he report the number of people who attended these screenings, the time of the screening, and return the film in good shape.

Senator CONNOLLY (*Halifax North*): I was, I may say, aware of that. But I asked the question for two reasons. I thought it would be interesting if you would disclose to the committee the nature of the work you are doing in this field. Secondly, I wondered if the National Film Board could not be more closely coordinated with the Travel Bureau, and whether its facilities could not be made more available and more often than has been the case over the years. It seems to me that greater coordination could be effected than has been the case over a long period.

Mr. FIELD: Well, we do work very closely with the National Film Board, senator. The Board has always had a great interest in tourist promotion. I know that from my years with the Board. The NFB has organized for the past twelve years summer circuits in Canada for travel films. They will build up a circuit in any given region, like the Muskoka Lakes or the Annapolis Valley, and they go into hotels and resorts in that area and run regular film shows of places in Canada to interest American tourists and Canadian travellers who happen to be there in visiting other parts of Canada. All this is done as part of the summer programme of the National Film Board.

In the States, the Board administers these two big film distribution systems on behalf of the Bureau. We have continuing contacts with the Board. We have, in order to select films for distribution in the States, a film evaluation committee, with representation from the provinces and the transportation companies, the Film Board and some of our own staff. This committee meets at regular intervals through the year. There is a fair amount, of coordination and cooperation between the two agencies.

Senator CONNOLLY (*Halifax North*): One other question. To what extent do our consulates and trade missions in the United States cooperate with our Travel Bureau? I don't say this by way of reflection—perhaps I should not put the question so bluntly. Perhaps I should put it this way: my view is that insufficient cooperation is given the Canadian travel effort by consulate officials and trade mission officials located at various points of the United States. I throw this open for discussion. It is not fair to ask Mr. Field, as a head official.

Mr. COTE: Mr. Chairman, if there is an insufficient amount of effort put in by Canadian consulates or trade commissioners' offices in the United States to the promotion of tourism activity toward Canada, I think the answer is that that arises because they have insufficient personnel to do more than they are doing now. We have found the Canadian consulates and trade commissioners' offices to be extremely aware of the tourist potential, and they are doing as much as they possibly can. For example, in the Los Angeles office, up to about 12,000 inquiries annually are handled by one person there. These inquiries are sometimes referred back to the province, because they have not got the personnel to do it.

Senator CONNOLLY (*Halifax North*): Who is the official in Los Angeles?

Mr. COTE: Mr. Dolan is the consul general, and he is handling a lot, and you may rest assured that there is a clerk working with him, Mr. Dolan is tourist-minded. We know Mr. Dolan, and the consulates, we have found, have been extremely cooperative in this way, but they have not enough personnel just as we have not enough offices on the ground in the United States.

Senator CONNOLLY (*Halifax North*): It would be fair to say that if more personnel were provided for these agencies, we would get a great boost in our tourist efforts across the line.

Mr. COTE: I think so, yes.

Senator GERSHAW: Mr. Field mentioned that sometimes the accommodation was not very good. A prime example of that is where pheasant shooting is held at Brooks; lots of wealthy Americans would come in, but the accommodation is very poor. I wonder if Mr. Field could tell us more about what tourist require, and what we are lacking. Is it because the roads being bad, or the food being bad, or that the business is not being worked up? What can we do to increase the tourist traffic?

Mr. FIELD: I think one of the great handicaps to providing new and better accommodation has been the lack of financing for such new construction, or rebuilding, or modernizing of accommodation. It has been a concern of the Canadian Tourist Association, and the provincial organizations as well. They feel that the tourist operator is being badly treated, because he cannot go to a chartered bank and get a loan for building new accommodation, in the same way that a fellow can who runs a store. They feel that it is not possible to extend present accommodation unless they have some system of financing improvements. In several of the provinces the provincial governments have taken over a certain degree of responsibility to help hotel owners and tourist establishment operators by making loans to them. The Canadian Tourist Association has made repeated representations to the federal Government, and so far without success. The provincial organizations have succeeded in certain cases in recent years in getting a measure of financing for their industry. Most recent, is the Province of Manitoba which has legislation either on the books or on the way to help the tourist industry in that province. But essentially the difficulty is that money is not available for building new accommodation or improving old accommodation.

The CHAIRMAN: Senator Gershaw has mentioned Brooks. I understand the hotels there were packed a year in advance, solid.

Senator GERSHAW: Yes. The accommodation in outlying districts is very poor. I think, if the hotel people could be assured that there would be a certain number of people there for a certain length of time, they would improve their accommodation. On the other hand, if the tourists could get accommodation they would come there. There seems to be contact lacking in some way; there is an impasse, I suppose, because the tourist season is really quite short, and if you are depending upon the operation only in the hunting season there is really very little to finance a large-scale new building. This is the very point which comes up when such an operator goes to the bank or a lending institution and asks for money. It is a seasonal business. The banks are unwilling to risk that much in such a venture.

Senator CONNOLLY (*Halifax North*): What is the longest tourist season at the most favourable point in Canada?

Mr. FIELD: I would be obliged to say that the Laurentian resorts have the longest season.

Senator CONNOLLY (*Halifax North*): For what period of time? Eight weeks?

Mr. FIELD: Oh, it is much longer than that. In the Laurentians they have the winter business and they have—

Senator CONNOLLY (*Halifax North*): The Laurentians are in a little different position from Nova Scotia and the Maritimes generally, when the period is about six weeks. That is about the maximum. There is scattered business prior to that opening period of July 2nd or 3rd, and a little scattered business after school is opened in the Fall.

A person who invested a lot of money in the tourist establishment business in this country would be very unwise to calculate that he would do better than break even for more than six weeks in any given year. It is a terrific responsibility, and there are very few people who would like to risk capital in a venture which is really good for only five or six weeks. I suppose that in Ontario five or six weeks would be the most that any person could hope to do capacity business.

Mr. FIELD: I would think that in most of the areas that have been mentioned here the season could be extended by intensive local promotion. I think there is a high potential for fall business, particularly in the Maritimes.

Senator FERGUSSON: That is what I was going to bring up, Mr. Field. It seems to me that everything is empty in the tourist business immediately after the summer months, though we do have hunters who come up; and a small group of hunters will leave more money in Canada than a large number of families who camp, and perhaps bring a good deal of what they are going to eat. I notice, in looking through the books you have, there is nothing which mentions our hunting seasons. You do speak of fishing. I don't know whether you want to bring hunters, but it seems to me that they are very productive.

Mr. FIELD: One of the reasons is that we do not advertise at the time of the year that you can catch the attention of the hunter.

Senator FERGUSSON: Yes. I see you stop your advertising in the middle of July. But is it not important to have a little of it, to ration it a little, and aim a little at the hunting season?

Mr. FIELD: I think in the past, in dividing the responsibility between the provinces and the federal Government, it has always been felt that the promotion of hunting, because the time varies in each province, is the responsibility of the province.

Senator FERGUSSON: That is what I think. I looked for it in different books. There are none which mention our beautiful falls and beautiful colours, and certainly none which mention hunting.

Mr. FIELD: The provinces do a pretty active job on hunting promotion. As I said, because the season varies in each province, it has to remain a regional affair. The Bureau does a lot of servicing inquiries from hunters who want to come to Canada.

Mr. COTE: I may say, to illustrate particularly some of the cooperation between the federal Government and the provinces, that when we prepare our general programme the provinces and transportation companies are fully aware of the slant we are taking, and then they arrange their programmes accordingly. They can either put it all the same, or cover one field while transportation companies cover other aspects of it. It is reviewed every year.

The CHAIRMAN: Banff has two seasons, a summer season and a winter season, and tourists come from all over the world. The C.P.R. has a magnificent hotel, which is closed at certain times of the year. They have the golf course. It is a four-week tour. There are two busloads, and they think that before departure—it is a woman who is promoting this enterprise—she may have three bus loads. It appeals to people because it is on an inclusive basis. This

girl is being transported and provided with hotel accommodation for a four-week trip for \$285. Surely there is travel coming the other way, from the United States, being promoted by these conducted-tours people. Are we taking full advantage of that field?

Mr. FIELD: I would not say that we have exploited it fully. I think that a good deal more could be done if we had more money for the purpose. We promote as vigorously as we can the package-tour business, the conducted or escorted tour, or what are called independent tours into Canada. We have succeeded in interesting a number of tour operators in the major cities in the United States, including New York, Chicago, Cleveland, Minneapolis and other places, in organizing more tours into Canada. We issued this booklet on Package Tour and we have distributed it by the thousands in United States. It goes to the prospective American tourists. The booklet explains where every tour in Canada goes, what area it covers, how many days it takes, who runs the trip, and how much is the basic cost. It is one of the most useful booklets, I think, the Bureau ever produced.

The CHAIRMAN: But it will still require some one to get down and organize—to get it started. Senator Smith spoke about that woman who made the arrangements and got assurances of prices from all hotels and bus companies and so on. You can have all this printed matter that you like, but unless some person gets others to work to arrange these individual tours and trips it will remain in the book. Is not that your idea?

Mr. FIELD: If I might reply to that, Mr. Chairman: we do not attempt to organize the tours ourselves. As a government department, we leave it to the wholesale operators in the United States, to tour operators like Cook's and Greyhound and American, and all kinds of such concerns—there are dozens of them—. We try to publicize the fact that these package, all-expense trips are available for travel into Canada. We ask more operators to extend their tours, we put them in touch with provincial organizations, who can help them, and in this way we have helped expand the packaged-tour system into Canada. But more could be done.

I think we need a closer relationship with the travel agents in the United States who handle millions and millions of dollars' worth of business. We are often in the position, strangely enough, of being unable to give a tour operator the accommodation he wants in Canada for his groups on the days and nights he wants it. Often the operator is obliged to cancel trips or restrict the number of tours because he cannot get accommodation in the very busy period of July and August.

Senator CONNOLLY (*Halifax North*): And you have excellent cooperation from provinces. In the province in which I am familiar the practice is this. When tours are decided upon, the province immediately ships to tour headquarters a large amount of provincial literature which the tourist agent presents to the potential or actual customer, long before he gets in the bus to cross the border, so that by the time he gets to the border of the province to which he is travelling he has had full information for some time, he gets all the facts about the province and its tourist industry and its facilities. In my experience, many of these people who come across the Bay of Fundy or elsewhere into Canada are remarkably well informed. They are none too happy that some of the things they want to see will have to be skipped on the tours, but generally they find that the type of tours that Senator Smith has spoken of is most successful. That kind of tourist spends less money than the one who comes in under his own locomotion, but nevertheless it is money that is spent. Tour agents, in order to help their own situation and their own reputation, make arrangements to put up these tourists at the best facilities which the province has to offer, and the

effect generally is very good. I think, as Mr. Field has said and Senator Smith proposed, that if we could concentrate a little more on that type of travel, it would be bound to be a big help.

MR. FIELD: I might add that the growth of the packaged tour, the all-expense tour, as you mentioned, to Europe has been one of the great phenomena of the travel industry in the last ten years. There are probably hundreds of thousands of Americans who build up a budget or set aside a sum of money, about \$500 or \$1,000, to buy an all-expense trip. Thus they know that everything is paid for, even the handling of luggage, tips at the hotels and restaurants—all of these things are looked after—and many people prefer to budget for their holiday in this way. We, in Canada, have got to take cognizance of the package tour and get in on this market to a greater extent than we have in the past.

THE CHAIRMAN: In speaking of newspaper and other advertisements, is any money being spent to alert Canadians to the importance of the way in which tourists are received in this country? I often think that this is one of our greatest stumbling blocks. While some people get from us the hand of friendship, far too many of our people are indifferent. To my mind, the friendliness of the treatment they receive has more to do than anything else with whether people will return on another trip. I think that, here, Canadians fall down very badly.

MR. COTE: There has been no advertising by the Travel Bureau domestically for that purpose.

THE CHAIRMAN: I think that perhaps some of the money for advertising could be spent right here in our own country.

MR. COTE: The Canadian Tourist Bureau has been doing a good deal in promoting the idea that Canadians must extend a warm welcome. We have indirectly done it through the Canadian tourist advertising in the United States magazines, which are widely read within Canada, and which state that "A warm welcome awaits you". I think the committee would be interested to know that, as a result of questionnaires sent to Americans, about 42 per cent of them indicated last year that they came to Canada last year because friends had told them about it. That, in our way of thinking, is the most important and valuable contribution that Canadians can make. Therefore, the advertising of Canada through the reception of Americans by Canadians is, in our way of thinking, probably very good. One of the greatest things that has annoyed United States visitors, as has been pointed out on various occasions, is the premium on the Canadian dollar. That is a thing we have been trying to deal with by having several hundreds of thousands of leaflets—at least half a million—sent along the borders to advertise the situation and advise Americans coming into Canada to change their money immediately at Canadian banks. This has been published over the last two years. Mr. Field tells me that the total number of leaflets which has been distributed amounts to five millions. So we are trying to reach that, perhaps the greatest source of irritation.

THE CHAIRMAN: I think, if I were in the tourist business, I would immediately advertise that I would accept American dollars. That would be my way of securing business, and return business.

SENATOR SMITH (*Kamloops*): I think, in fairness to business generally, we should take a look at one angle of this thing. The firm or individual or agency that adopts to that practice is made the victim of a racket; and it is pretty tough, when you are selling a 25-cent article, making a 25- or 50-cent sale, and a twenty-dollar American bill is handed over to you to be changed. There are a lot of abuses to it. I talked this over in the last few days with some of the C.P.R. people, because I stepped up to the newsstand in the airport at Vancouver a few days ago, and a fellow a little ahead of me was just getting

change from an American one-dollar bill, and he was very angry with the girl about the exchange, and got into an argument; but the poor girl was simply carrying out instructions. Before I had got through with my purchase he had gone back, joined his party, got a Canadian bill, and said "Give me back my American bill and the nickel exchange." So I had an opportunity of talking to a top executive of the C.P.R., and I asked him, "Why don't you make this concession?" He said, "We can't do it. With the extent of our operations across the country, involving so many services and so many people, it would just be impossible. We would be victimized; we would not only be losing the exchange on account of the money involved in the sale of service or goods, but there would be the loss of exchange on the change we made, and so on." Of course these people could buy express money orders or travellers' cheques or get their currency exchanged in a business-like way at the bank, and avoid all these arguments.

Senator CONNOLLY (*Halifax North*): I agree entirely.

Senator INMAN: This matter was discussed one time at a meeting in our province when the exchange was the other way, and they did report quite a racket. I had experience one time of a man giving me a hundred dollar bill and he wanted to get another dollar and a quarter for it. Where would that leave me? He wanted the exchange, but I told him I could not exchange it.

Senator ISNOR: I just had the opportunity of looking over the two booklets, one in connection with magazines, and the other with relation to newspapers. They are well set-up, the coloured one in particular. The thought struck me that we are using perhaps too many outlets or mediums in both magazines and newspapers.

Mr. FIELD: Well, senator, I do feel that we have lost ground in a number of magazines and newspapers that we are using because costs have risen and our budget has not kept pace with that rise. We have had to cut off publications that we wanted to retain, and we have had to drop out of multiple advertising in some of the magazines. As I said earlier, we do endeavour to do a careful marketing study of every one of the publications on our advertising list. Often we disagree on the wisdom of spending money on a certain newspaper or a certain magazine.

The CHAIRMAN: How do you disagree?

Mr. FIELD: I estimate that in the course of the last year the advertising agencies and myself spent more than seven weeks discussing every magazine and newspaper on our list. For five days, at one point, I was on a trip with our advertising account executive and in those five days we did nothing but talk about the account and the advertising markets.

The CHAIRMAN: What do you mean by "agency"?

Mr. FIELD: Well, the way it is arranged now, we have three advertising agencies. One looks after the Atlantic Provinces campaign—

The CHAIRMAN: Which is that?

Mr. FIELD: That is F. H. Hayhurst & Co. in Toronto. One looks after our general newspaper campaign—Stanfield, Johnson and Hill, in Montreal. The agency that looks after our general magazine campaign is Stanfield Johnson and Hill, in Toronto. We have one account executive to coordinate all these efforts, so our advertising is, in a sense, planned in one place.

Senator CONNOLLY (*Halifax North*): It is a very difficult thing to handle, I venture to say, and that would apply no matter who handled it. There are a number of periodicals on the list which you now use, Mr. Field, where the money is largely wasted. I say that because I have wasted it myself in past years. I have had grave doubts of the value of taking space in this or that publication, but I have allowed myself to be persuaded by experts, so-called,

that it is an invaluable medium, and afterwards reached the conclusion that I would have been far better off if I had taken that money and used it for a little more space in a well-known periodical like the Saturday Evening Post, or something like that nature. I am sure that that applies to your Bureau, and I say so without criticism of any kind, because I regard it as inevitable that one should do that, agency opinion notwithstanding, because they have reasons sometimes with which perhaps we are not too familiar and so it might be that a revision of the list could be made with great benefit to the too few dollars you have at your disposal. I have in mind the "Bride's Magazine", and the "Grade Teacher", which reaches a very small number of readers.

Mr. FIELD: I am not afraid to defend the decision about choosing these markets over the years, but as to one particular magazine that you have mentioned, I would point out that there are millions of Americans getting married and taking honeymoon trips, and what better place could they come to than Canada?

Senator CONNOLLY (*Halifax North*): When Mr. Field talks on that high plane I am speechless; there is nothing I can say by way of rebuttal. I must go; I have a meeting at 12 o'clock, if you will excuse me.

Mr. COTE: I think it is important to say this much, that Senator Connolly has a point that one should not be hidebound by a particular market; and I think that in fairness I can say this, from my personal knowledge, that Mr. Field has been very active in watching this market, and changing, and placing advertising elsewhere from time to time. That is going on continuously. But one should not want or encourage whimsical change on his part on any given occasion. There has to be some thought behind this. We do know, from that example, the returns on advertisements from a particular type of magazine advertising a certain packaged tour, a teachers' tour. We have a check on the market in that sort of way, and we do know that we get value for our money. Sometimes it may not be as good as other markets; that is true; but I think there is some value in the warning that is given to us by Senator Isnor, to watch the question of outlets, and I would like to say that in the Travel Bureau they are watching this, sir, and from time to time there are changes which I think are being made by Mr. Field so far as he can, on knowledge. There are factors, as Senator Connolly has said, that may be the result of promotion by advertising executives, but I think Mr. Field, who has been in this business for some while, is able to discern the wheat from the chaff in that regard.

Senator ISNOR: Yes; I think Mr. Field can do that, Mr. Chairman, and I am glad that Mr. Côté brought up the point of keeping track of the percentage of returns from the tourist advertising in the different magazines. I see here they ask that the sticker shall be sent along, and enclose an envelope. If I remember, you stated there were 750,000 inquiries.

Mr. FIELD: That is right,—three-quarters of a million.

Senator ISNOR: Of that three-quarters of a million, how many would have come through your advertising, on a percentage basis, roughly?

Mr. FIELD: The number directly attributable to advertising, where an inquirer either sends us a coupon or sends us a letter saying, "I saw your ad in such-and-such a publication",—is about 650,000 altogether.

Mr. COTE: Of the 750,000.

Senator ISNOR: May I just pursue that? I just want to get at something definite. Of that 650,000, each and every one of these coupons has a number identifying it with the magazine?

Mr. FIELD: Four hundred thousand were coupons. The balance were letters or postcards. This is a rough breakdown.

Senator ISNOR: I just want to follow through, to see what you are getting. I don't know how long you have been pursuing that, but that should be of great value to you next year in placing your advertising.

Mr. FIELD: Yes, sir. It is.

Senator ISNOR: Well, now, if so, is that information turned over to Stanfield, Johnson and Halls?

Mr. FIELD: It is turned over to all the agencies, and subjected to long discussion.

Senator ISNOR: Well, you have only one other agency than Stanfield, Johnson and Halls. I don't know if you put this on record at the other place in considering the estimates, and I certainly don't want to give any information out which would be, perhaps, helpful to competitors; but did you give the amount of fee that you are paying to Stanfield, Johnson and Halls?

Mr. FIELD: No, sir, we did not. It is the standard fee. The agency gets—all advertising agencies get—15 per cent, whether they are advertising automobiles, or soap, or whatever. May I add something for the record, senator? This percentage, the commission given to the agency, is provided by the publication. The Government does not pay the agency any commission. If the Government were to place the advertising with the publication without using any advertising agency, we would not save any money; we would not be eligible for the commission.

Senator ISNOR: Granted that for the moment, they still get 15 per cent through your placing the advertising that you placed with them last year.

Mr. FIELD: I think last year it was \$1,400,000.00, and this year, \$1,468,000.00.

Senator ISNOR: And how long have you been using that agency?

Mr. FIELD: The agencies were appointed in August of 1957. There were three of them at that time. Subsequently two of them merged, so we have two agencies. One group is located in Montreal; so, in effect, we have three advertising groups working for us.

Senator ISNOR: That is, Stanfield, Johnson and Hill have one office in Montreal and the other in Toronto?

Mr. FIELD: That is right.

Senator ISNOR: But they are the same concern?

Mr. FIELD: Yes.

Senator ISNOR: And that other one, F. H. Hayhurst, is located in Toronto?

Mr. FIELD: Yes.

Senator ISNOR: Are they connected with Stanfield, Johnson and Hill?

Mr. FIELD: No.

Senator ISNOR: They do some special work?

Mr. FIELD: They handle the special Atlantic Provinces campaign, upon which we have expended \$300,000.00 each year for the past three years.

Senator ISNOR: A fairly good fee for a client, I would say. I think that is all I have to say on that.

Senator GERSHAW: We have had a very good meeting. I suggest we adjourn, and thank the officials for the very valuable information.

The CHAIRMAN: Does the committee think we should meet again?

Senator ISNOR: I just want to say this in connection with meeting again. Mr. Côté, Mr. Field and other officials have been before the Standing Committee on Mines, Forests and Waters, and they have given a great deal of information which is valuable and interesting to members of the Senate as well as the House of Commons. For that reason I doubt very much if it would serve any useful purpose to have further meetings.

The CHAIRMAN: Because, you say, you have that material available.

Senator ISNOR: Yes.

The CHAIRMAN: I doubt whether we have some special recommendation to make. But this evidence is before the Government; they can consider whether they wish to do anything about assistance for tourist accommodation. Under the circumstances we will adjourn. I thank you gentlemen for your attendance here and the information you have given us.

Senator ISNOR: And I do want to say, before we adjourn, that I think next year, if we have them before this committee, I will be inquiring as to whether they have improved on their methods of gathering information with regard to the statistics which are supplied from time to time, namely the expenditures made in Canada, because I am not at all satisfied; and Mr. Field, of course, is not satisfied.

Senator SMITH (*Kamloops*): I think we owe a special word of thanks to Mr. Fisher for his presence at, I think, three different meetings. He represents a non-government body, and he probably has not had the opportunity to contribute as much as he would have been able to contribute to this discussion. Under the circumstances I think we owe him a particular "Thank you" for his co-operation.

The CHAIRMAN: Yes. We appreciate it very much, sir.

Whereupon the committee adjourned.

